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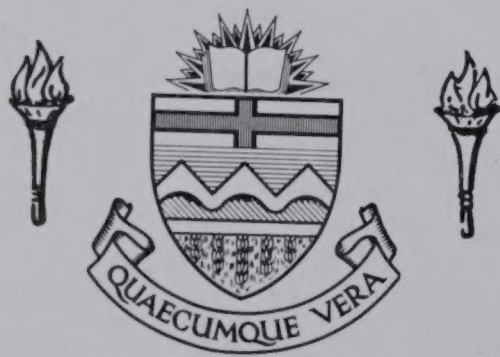
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THE UNIVERSITY OF ALBERTA

THE CALGARY AND EDMONTON RAILWAY AND THE EDMONTON BULLETIN

by



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A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE

OF MASTER OF ARTS

DEPARTMENT OF HISTORY

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FACULTY OF GRADUATE STUDIES

The undersigned certify that they have read and recommend to the Faculty of Graduate Studies for acceptance, a thesis entitled THE CALGARY AND EDMONTON RAILWAY AND THE EDMONTON BULLETIN, submitted by RAYMOND ANDREW CHRISTENSON in partial fulfilment of the requirements for the degree of Master of Arts.





## ABSTRACT

The Calgary and Edmonton Railway, built in 1890-91, was essential to the early settlement and development of Alberta. So pervasive was its influence on the community that the railway came inevitably to occupy the attention of the newspapers in the region it was built to serve.

This thesis is a study of the Calgary and Edmonton Railway in the view of the Edmonton Bulletin, one of three Alberta newspapers contemporary with the early years of the Calgary and Edmonton Railway. While keenly anticipating the benefit a railway would bring in its wake, the Edmonton Bulletin's usual stance toward the Calgary and Edmonton Railway was critical--at times hostile. The basis for this attitude was the Bulletin's belief that the Calgary and Edmonton Railway--having the power to bring great benefit to the people and having been publicly subsidized to assist it in achieving this end--was pursuing policies detrimental to the interests of settlers and to the development of the country it professed to serve.

The opening chapters provide appropriate background by focusing on the long-felt need for railway service to the Edmonton district. The bulk of the thesis deals with several aspects of the Calgary and Edmonton Railway in their im-





pact on the settlement and development of the region--according to the judgment of the Edmonton Bulletin. Aspects dealt with include incorporation, financing, construction, terminal location, early operation, relationships with the Canadian Pacific Railway, land grant, and regional economic growth following construction of the railway.





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## PREFACE

This thesis is not an objective study of the Calgary and Edmonton Railway itself. Such a study is impossible since the writer does not have access to the required documents. What follows is a study of that railway primarily as seen by the Edmonton Bulletin. The writer assumes that the Bulletin represents fairly the views of its readers--that is, the pioneering community of the Edmonton district and of northern Alberta. (On several occasions, these readers helped elect the editor of the Bulletin as their Member of Parliament). What is herewith presented is, then, a public image of the Calgary and Edmonton Railway.

The pioneering community saw this railway in its relation to local economic problems, for the solution of which they looked to the railway. This paper, therefore, becomes also a study of a "railway psychology"--of how the railway came to occupy a central place in the calculations and feelings, the hopes and disappointments of a community. The writer does not argue that other communities or newspapers saw other railways--or the Calgary and Edmonton Railway for that matter--in the same light in which the Edmonton Bulle-





tin viewed the Calgary and Edmonton Railway (though the evidence available suggests that the Macleod Gazette and the Calgary Herald were fundamentally in agreement with the Bulletin).

These considerations make clear one of the limitations of this study--a limitation relating to the sources upon which it is based. Abundant use has been made of the Edmonton Bulletin, as the title demands. It has been supplemented by two other Alberta newspapers, the Macleod Gazette and the Calgary Herald. Chapter VI (Controversy) relies almost entirely upon these newspapers since other sources for the chapter are practically non-existent. References are made to a fairly wide list of secondary materials, especially in Chapters I and X. In addition, public documents provide the basis for Chapters II, III, IV, VII, VIII, and IX.

There are, furthermore, two limitations as to scope. Firstly, the study concentrates upon the northern part of the line. The account is written from the point of view of Edmonton, as the title indicates. This railway meant more to Edmonton than to Calgary--which had been on the Canadian Pacific mainline for seven years--or to Macleod--which was only half as far from the mainline as Edmonton was and only thirty miles from the railway at Lethbridge. It is to be





expected, therefore, that the Edmonton Bulletin should have much more to say about this railway than the two southern Alberta papers. Little useful material can be gleaned from local histories. There is a paucity of such historical writing in Alberta. What has been written is generally brief, sketchy, undocumented, and inferior in scholarship and style. Limitations in the sources, therefore, dictated a somewhat restricted point of view.

A scanning of the Table of Contents reveals another limitation in scope. The study focuses on the genesis and earliest years of the Calgary and Edmonton Railway, though the subsequent period to 1903 is not neglected. The account does not continue beyond 1903. If justification for this limitation be necessary, it lies in two facts. Direct connection of Edmonton with the Calgary and Edmonton Railway was made in 1902, from which time Edmonton could afford to take the railway for granted and the Bulletin have less to say about it. In 1903, furthermore, the Calgary and Edmonton Railway passed into full ownership of the Canadian Pacific Railway Company and was no longer separately reported in the Sessional Papers.

Because of the Edmonton point of view in the thesis, there is a secondary theme running through much of the following account--Edmonton's struggle for the railway which



would give connection with the outside world. To a considerable extent, the repeated disappointments involved in this struggle gave rise to the public image of the Calgary and Edmonton Railway reflected in this paper.

The writer considers that a proper historical perspective is required in order to appreciate both the struggle waged by the Edmonton community for a railway and the image of the railway which arose partly as a result of that struggle. Chapter I, therefore, provides a survey of conditions in Edmonton, Calgary, and Macleod and in their surrounding districts up to 1890. A comparison of Chapters I and X dispels doubt as to the effectiveness of this railway in stimulating settlement and development; it also justifies the expectation with which the Edmonton Bulletin and other newspapers greeted its advent.

The writer expresses his appreciation to Dr. L.G. Thomas, Professor of History at the University of Alberta, for the considerable time and effort he has invested in the examination of the drafts and for his advice and encouragement in the completion of this study. Mr. Eric Holmgren, Librarian, and the staff of the Provincial Library in Edmonton have also given assistance, as have Miss Hamilton of the Cameron Library at the University of Alberta and the staff of the Shortt Library at the University of Saskatchewan.





## INTRODUCTION

Arthur S. Morton, a pioneer historian of the settlement of western Canada, has written that "an indispensable preliminary to the settlement of the Northwest and to the prosperity of its settlers was quick, easy, and cheap transportation. This is written large in all its history."<sup>1</sup> His statement applies well to that stretch of the North-West which was tributary to the line of railway thrown out from the Canadian Pacific mainline at Calgary in 1890 and reaching Edmonton in 1891.

Most of this line passed through land lying in the "fertile belt," as it was described by Palliser and Hind, both of whom saw the necessity of adequate transportation if the area was to be settled. Captain William Butler, commissioned by the Canadian Government to investigate conditions in the North-West, reported in 1871 only six embryonic colonies--all of missionary origin and all populated by

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<sup>1</sup>Arthur S. Morton and Chester Martin, History of Prairie Settlement and "Dominion Lands Policy" (Toronto: The MacMillan Company of Canada Limited, 1938), p. 37.





half-breeds.<sup>1</sup> There were also a "few adventurous whites" at Prince Albert and at the various Hudson's Bay Company posts in the Qu'Appelle and Saskatchewan valleys. Writing a year later, Butler declared:

The "Great Lone Land" is no sensational name. . . . There is no other portion of the globe in which travel is possible where loneliness can be said to dwell so thoroughly. One may wander five hundred miles in a direct line without seeing a human being.<sup>2</sup>

Presbyterian missionaries who arrived in Edmonton in November, 1879 claimed that there were "only twenty white men and six white women within five hundred miles of Edmonton."<sup>3</sup>

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<sup>1</sup>These were: Prince Albert, White Fish Lake, and Victoria, consisting of English half-breeds; and St. Albert, Lac la Biche, and Lac Ste. Anne, where French half-breeds lived. G.F.G. Stanley, The Birth of Western Canada (Toronto: University of Toronto Press, 1936), p. 177. Stanley points out that it is "impossible . . . to determine the extent of the population of the North-West at this time owing to the unsettled nature of some of the communities and the nomadic habits of their half-breed members." Ibid., p. 178.

<sup>2</sup>William Butler, The Great Lone Land (16th ed., London: Burns and Oates, 1907), p. v. In a similar vein, missionary John McDougall records that in 1863 when his father moved to Victoria, "the whole country south and west of Edmonton was entirely devoid of settlement, not a solitary settler could you find in that region. There was not even a trading post south of the Saskatchewan river." He later estimated that "west of Carleton there cannot be less than 700 mixed bloods and that there were 20,000 natives in the upper Saskatchewan." John McDougall, George Millward McDougall, The Pioneer, Patriot, and Missionary (Toronto: William Briggs, 1883), pp. 105, 152.

<sup>3</sup>Hugh McKellar, Presbyterian Pioneer Missionaries in Manitoba, Saskatchewan, Alberta, and British Columbia (Toronto: Murray Printing Co., 1924), p. 137.



Most schemes for colonizing the North-West in the 1870's came to nought. Settlement by voluntary immigration was slow, and attempts to stimulate it by means of colonization companies were a failure. In 1886, after four years of existence, most colonization companies were dissolved.<sup>1</sup> The proportion of cancellations in homestead entries remained high. While the population in the Dakota Territory increased from 12,887 in 1870 to 133,147 in 1880, it grew in the North-West Territories from 1,000 to 6,974.<sup>2</sup> Among the major causes of this relatively slow rate of growth was the inaccessibility of the Canadian North-West. The indispensibility of railway facilities had become apparent.

Between Calgary and Edmonton, settlement was sparse as late as 1881. The Edmonton Bulletin that year listed the following places and their population: Peace Hills Indian farm, 45 miles south of Edmonton, estimated population--10 whites, 50 half-breeds; Battle River station, 65 miles south of Edmonton--3 whites, 300 Indians; crossing of Red Deer

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<sup>1</sup> Stanley, op. cit., p. 186. One of these companies, The Temperance Colonization Company, founded the town of Saskatoon. Only seven companies placed more than fifty settlers on the land. None was in operation after 1891.

<sup>2</sup> Canada Year Book, 1905, 2nd series, Ottawa, 1906, p. 11, cited by Stanley, op. cit., p. 187 and n. 30, p. 429. These figures do not include Indians.





River, 100 miles south of Edmonton--no population; Fort Calgary--30 whites, 200 Indians.<sup>1</sup> Thus, according to the Bulletin, the total white population estimated at that time between Calgary and Edmonton, exclusive of those two centres, was 13; in addition, there were about 50 half-breeds and 300 Indians.

Twenty years later, the editor of the Bulletin, in describing the isolation of Edmonton in 1881, stated that there was not even a house between Calgary and Edmonton except that of an Indian farm instructor at Big Stone Creek<sup>2</sup> (later Wetaskiwin) and that east of Edmonton there was not a house between Fort Saskatchewan and Battleford, 250 miles distant.<sup>3</sup> Winnipeg was the nearest railway centre<sup>4</sup> and Cal-

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<sup>1</sup>Edmonton Bulletin, Dec. 17, 1881. Other centres listed with their population included: Morleyville--60 whites, 600 Indians; Cochrane ranch--40 whites; Fish Creek--total population, 20; High River--unknown population; Fort Macleod--300 whites, 30 Indians.

<sup>2</sup>Sir Cecil Denny quotes an old-timer in Edmonton, Dr. George Roy, as saying that in 1883 "in all the region between Calgary and Edmonton except about the crossing of the Red Deer, there was no white settlement." Denny, The Law Marches West, ed. and arr. by W.B. Cameron (Toronto: J.M. Dent and Sons Ltd., 1939), pp. 180-81.

<sup>3</sup>Rev. H. McKellar, Presbyterian missionary who travelled the route in 1881, referred to the "long stretch of nearly three hundred miles without an inhabitant between Battleford and Edmonton." Op. cit., p. 107.

<sup>4</sup>In 1878 a branch (Pembina Branch) of the St. Paul, Minneapolis, and Manitoba Railway reached its terminus at





gary, where police were posted, was not even a village community. The ranching industry of southern Alberta lay in the future.<sup>1</sup> Oats required by the police at Fort Saskatchewan were freighted in by wagon from Montana, 500 miles away. Cattle and horses for local use and consumption were driven in from Montana, British Columbia, and Washington. Prince Albert controlled the trade of the Mackenzie region.<sup>2</sup>

Even nine years later, in 1890, the Bulletin reported "very little settlement along the trail" over which the regular stages ran between Calgary and Edmonton.<sup>3</sup> There were houses only about every ten miles where travelers could find shelter in winter and entertainment.<sup>4</sup>

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St. Boniface, thus connecting the Red River settlement with St. Vincent, Minnesota and the outside world.

<sup>1</sup>Sir Cecil Denny dates the "beginning of farming and stock-raising in southern Alberta" in 1876 and the first roundup in that country in 1879. 1884 to 1890 was the "banner period of the cattle industry in southern Alberta." Op. cit., pp. 101, 230-31.

<sup>2</sup>Edmonton Bulletin, Nov. 1, 1901.

<sup>3</sup>S.W. Wilk dates the birth of the Calgary and Edmonton Trail to about the middle of the 1870's in the period immediately after the arrival of the N.W.M.P. See his One Day's Journey (Calgary: Aircraft Printing Ltd.), 1963.

<sup>4</sup>Edmonton Bulletin, Apr. 3, 1890. Wilk writes that in 1880 a Mr. and Mrs. Youmans "in all the vast country after they left Calgary . . . saw no sign of habitation until they reached Blindman River crossing. There was not a



Prior to the advent of the railway, transportation connections with the outside world were so primitive as seriously to retard settlement and development of the Edmonton region. Next to the natural advantages of the park belt, particularly that part centred in Edmonton, perhaps the most frequent theme in editorials of the Edmonton Bulletin during the 1880's was the need for improved transportation. In the years immediately prior to 1883, when the Canadian Pacific Railway reached Calgary, the main overland means of transportation was by ox-cart from Winnipeg. In 1881, the editor of the Bulletin complained that carts were not uncommonly three months on the trail between Edmonton and Winnipeg. The difficulties of hauling heavy goods by carts "almost prevent their being brought," and when they reached Edmonton they cost so much as to "put the price almost out of reach."<sup>1</sup>

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shack, not a fence, not a turned furrow. Nothing to show that white men had passed that way except the trail of the Red River carts. . . . At the Blindman crossing a half-breed couple named Anderson had a stopping house early in that year of 1881." Op. cit., p. 36. He goes on to state that in 1889 there was "very little settlement along the trail." Ibid., p. 43. W.F. Bredin mentions that on a trip from Benton to Edmonton in 1882, he met no one from Wetaskiwin--where there was a government farm--to Strathcona--where there were four or five houses. "Benton to Edmonton in 1882." Alberta Historical Review, VI, no. 3, p. 26.

<sup>1</sup>Edmonton Bulletin, Nov. 5, 1881.





The other primary means of transporting freight--by steamer on the North Saskatchewan River--involved by contrast only twenty days, but the Saskatchewan was considered by some "not to be fit for navigation to any extent."<sup>1</sup> Nevertheless, wrote the Bulletin editor, "it must be very bad indeed if it is not better than slow-going oxen on a muddy road 1,000 miles long."<sup>2</sup>

In the course of the debate attending the incorporation of the Calgary and Edmonton Railway Company, Prime Minister Macdonald explained that the line of railway was needed to provide transportation facilities for the ranching country, maintain the flow of capital and immigration of gentlemen from England, open up the country for agricultural settlers, fulfill the expectations of those settlers

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<sup>1</sup>In the debate on the bill to incorporate the Calgary and Edmonton Railway Company, the Prime Minister said that the North Saskatchewan was a "very unsatisfactory river for navigation. It is only a question as to what amount of snow will come down from the mountains whether that river is navigable for three or four months. It is very shallow, and is, unlike the St. Lawrence or any of our large rivers in the east, not a satisfactory mode of transport." Canada, Debates of the House of Commons, 6th Parl., 4th Sess., 53 Vict., 1890, XXX, pp. 4419 ff. George McDougall, eminent Methodist missionary in Alberta, was overly optimistic in visualizing the Saskatchewan River as "the future highway of nations." John McDougall, op. cit., p. 72. It was not to fulfill the expectations held for it by McDougall, Oliver and others as to its potential for transportation.

<sup>2</sup>Edmonton Bulletin, loc. cit.





who went into the country on the basis of the first projection of the Canadian Pacific Railway by the northern route and to alleviate the unsatisfactory navigation offered by the North Saskatchewan River.<sup>1</sup> Two years earlier, in a letter to George Stephen, President of the Canadian Pacific Railway, Macdonald had written that "the crop in Manitoba and the north-west is very good on the whole; the whole country is happy except Prince Albert and along the North Saskatchewan where the crops can't be brought out."<sup>2</sup> In the House of Commons, the Prime Minister went on to describe the region which would be served by the projected railway as "one of the most favored localities in the Great North-West for immigration, and for the investment of capital in cattle-raising and other industries." He added: "The necessity of a railway in that region has long been admitted by Parliament, but that district has been singularly unfor-

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<sup>1</sup>Canada, Debates of the House of Commons, loc. cit. Macdonald also wanted the railway in case of a repetition of the trouble of 1885. The N.W.M.P. detachment of which Cecil was an officer took eleven days to get to Edmonton from Calgary in 1885. Six years later, the same trip could have been made in eleven hours by railway.

<sup>2</sup>Sir Joseph Pope, Correspondence of Sir John Macdonald (Toronto: Oxford University Press, n.d.), p. 436, Macdonald to Stephen, Oct. 1883, cited by D.G. Creighton, John A. Macdonald, The Old Chieftain (Toronto: The MacMillan Co. of Canada Ltd., 1955), p. 512.



tunate in regard to securing railway accomodation."<sup>1</sup> During the same debate, J. Trow, Member for South Perth, stated: "If there is any portion of the North-West that we ought to develop by railway enterprises, it is that portion from Calgary to Edmonton."<sup>2</sup> The Minister of the Interior commented on the quality of the country being opened up and the unlikelihood of settlers coming unless a railway was built.<sup>3</sup>

The editors of the Edmonton Bulletin and the Macleod Gazette never tired of extolling the natural assets of their respective regions, the exploitation of which demanded early railway connection. In the enthusiasm engendered by the prospect of a railway, they drew magnificent word pictures of the greatness and glory that the future held in store for their parts of the country. The Edmonton Bulletin proclaimed that the Edmonton district was the

most eligible country for settlement in the Dominion. . . . The land in all this district is of first class quality far ahead of anything in the Dominion outside of the Red River valley, and with a natural growth of vegetation superior to even that, while the crops cannot be excelled. . . . Climate is much milder than in any other part of the North-West. . . . Timber supply in this part is practically unlimited. . . . The whole of this region is underlaid with coal at very little depth below the surface . . . without doubt the most

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<sup>1</sup>Canada, Debates of the House of Commons, loc. cit.

<sup>2</sup>Idem

<sup>3</sup>Idem





extensive coal formation in the known world. . . . Every stream from Red Deer north has gold in quantities that will pay from \$1.00 to \$20.00 per day per man. . . . The "color" can be found in the ground anywhere, and there is no doubt that the source from where all this gold came from [sic] in the first place will be found some day. . . . As all the large streams rise in the mountains, the water in them--melted snow--is unexcelled by any in the world--a huge improvement on the dirty pea soup of the sluggish Red River and the Assiniboine. . . . The lakes, unlike the alkali sinks of the great plains, are nearly all of fresh water, and all the large ones have fish in them. . . . In the southern part of the district is the best stock raising country in the world.<sup>1</sup>

Going on to predict the blessing that a railway would inevitably bring to this rich country, the editor wrote with enthusiasm:

The advantage that a railroad would have which would connect at the Boundary with a branch of the Northern Pacific, run through a country, every foot of which is fertile, connect with the C.P.R. and navigation of the Saskatchewan at Edmonton, then with that of the Athabasca, and finally terminate on the Peace River, in the heart of a magnificent agricultural country, and commanding the navigation of a river 2,000 miles long, right to the northern sea, must be apparent.<sup>2</sup>

Though a decade elapsed before the completion of the railway from Calgary to Edmonton, local ambitions respecting the railway did not abate. The visionary hopes of Macleod, still 100 miles from the Calgary terminus, were later dramatically expressed by the editor of the Gazette, who was not to be outdone by his northern counterpart. He anticipated

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<sup>1</sup>Edmonton Bulletin, Feb. 14, 1881.

<sup>2</sup>Idem





that

the Calgary and Edmonton road will . . . ultimately become part of a most extensive system, uniting the extreme northern and southern extremities of the continent. The point where these roads cross one another is going to be one of the most populous and important towns between Winnipeg and the coast. It is reduced practically to a certainty that Macleod will be that point.<sup>1</sup>

Six months later, the same editor wrote concerning prospective railway connection, not only with Calgary but also with the new mining district in the Kootenay country:

It means that from being a small town in which all growth and progress are at present at a standstill, Macleod will at one bound become the greatest distributing centre west of Winnipeg. . . . The change in Macleod in the next two or three years will be marvellous.<sup>2</sup>

Such local aspirations to greatness found expression also in Calgary when the editor of that town's newspaper warmed to the topic of a north-south railway through Calgary. He declared:

The building of the Calgary and Edmonton Railway will make our town the most important railway centre, now existent, or that ever will be, in Canada west of Winnipeg. This railway completed from the Athabasca country in the north to Montana in the south, Calgary will be in a position, with the assistance of the necessary capital, to reach out east, west, north, and south many hundreds of miles on every side and to carry its trade into every settlement and hamlet in prairie, mountain, or woodland in all this vast territory--a country larger than all of Europe.<sup>3</sup>

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<sup>1</sup>Macleod Gazette, Apr. 23, 1891.    <sup>2</sup>Ibid., Nov. 5, 1891.

<sup>3</sup>Calgary Herald, July 22, 1890.



Subsequent developments were to reveal the irony of Macleod's claims on the future. Despite its headstart as the headquarters of the North-West Mounted Police and the centre of a prosperous ranching industry, it was in the early decades of the twentieth century to be dwarfed by both Edmonton and Calgary--destined to become the nation's two fastest growing urban centres in the 1950's and 1960's.





## I

### ALBERTA BEFORE 1890

Edmonton was to be the northern terminus and Macleod the southern terminus of the Calgary and Edmonton Railway. These two along with Calgary were the only existing significant centres of population to be touched by the projected line. It was in Edmonton that local agitation for the building of the line centred, it being the most isolated of the three centres in 1890.

A brief survey of the beginnings and early growth of these three centres and their surrounding districts and of their transportation and communication links with the outside world before the coming of the Calgary and Edmonton Railway will provide a perspective on what the railway meant to the people of the country. Such a survey should also help to explain why the people placed such high expectations on the railway to provide the solution of basic problems attending the development of a struggling pioneer region.

In view of the above considerations and of the scope of this paper, the dominant concern of this chapter will be with Edmonton and northern Alberta. The origin of Edmonton





must be sought in the vigorous and often bitter competition in the fur trade between the Hudson's Bay Company and the North-West Company.<sup>1</sup> Faced with the fearful possibility of being outflanked by its rivals, who were boldly exploring routes by river, lake and portage across Rupert's Land and New Caledonia to the Pacific Coast, the Hudson's Bay Company determined to move into the interior as well. Competition moved up the Saskatchewan River and in 1795 the North-West Company built Fort Augustus at the mouth of the Sturgeon River across from the present Fort Saskatchewan. Not long after, the Hudson's Bay Company erected Edmonton House in the vicinity.

Alexander Mackenzie's XY Company were also represented at the Sturgeon River site, as were the free trappers.

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<sup>1</sup>These two companies, with headquarters respectively in London (England) and Montreal, were locked in a life-and-death struggle for supremacy in the fur trade during the period from about 1780 to 1821, when the two large rivals amalgamated. This competition must be seen as the continuation (after the British conquest) of the old French-English rivalry for the fur trade which began in the East in the 17th century and spread beyond the Great Lakes in the mid-18th century after the explorations of Dulhut, de Noyon, la Noue and la Vérendrye (French) and Kelsey, Henday, and Cocking (English). By 1757 the French "had built a chain of forts from Montreal to the Rockies." After a brief interruption during the conquest of Canada, the fur trade was resumed. Another 22 years of unrestricted competition among themselves persuaded the individual traders from Canada of the advisability of cooperation. Hence, the formation of the North-West Company in 1783-4. See Stanley, *op. cit.*, pp. 4-5.



The result of such intense competition was the rapid depletion of the furs and a move of the posts upriver. Considerable controversy has arisen over dates and sites of subsequent relocations, but the available evidence suggests that by 1815 Fort Edmonton was established on its permanent site.<sup>1</sup>

From its establishment as a Hudson's Bay Company post, Fort Edmonton grew to become that Company's most important interior post.<sup>2</sup> The concentrated effort of several fur trading companies to gain control of the trade in the area indicates the significance of the post. After the merger of 1821, the largest portion of what now make up the provinces of Alberta and Saskatchewan--including the grassy plains between the Saskatchewan River and the International Boundary--was organized as the Saskatchewan District with headquarters at Edmonton House. For a time, it was the principal trading centre of three Indian nations--Cree, Stoney, and Blackfoot.<sup>3</sup> Fort Edmonton supplied the Athabasca

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<sup>1</sup>See A.S. Morton, A History of the Canadian West (Toronto: T. Nelson & Sons Ltd., 1939), p. 463; G.H. MacDonald, Edmonton: Fort-House-Factory (Edmonton: The Douglas Printing Co., 1959), p. 17; E.W. Edmonds, Edmonton Past and Present (Edmonton: The Douglas Printing Co., 1943), p. 1.

<sup>2</sup>Katherine Hughes describes it: "Fort Edmonton, the most important post west of Norway House." Father Lacombe (Toronto: Wm. Briggs, 1911), p. 46. See also statistics cited by A.S. Morton, op. cit., p. 697.

<sup>3</sup>Edmonton Bulletin, Feb. 18, 1882; Mar. 12, 1903. A pioneer ~~Methodist~~ missionary, John MacLean refers to Edmonton as the place where "thirteen different tribal peoples





trade and was the point at which trade toward the Pacific coast left the navigation of the North Saskatchewan River to be carried by pack horses across mountains eventually to arrive at the north bend of the Columbia River at Boat Encampment.<sup>1</sup> By the time that Father Lacombe arrived there in 1852, writes his biographer, "Fort Edmonton had already become the chief point of the Company's occupation on the plains, and in a few years . . . it was to eclipse utterly the glories of old Fort Chipewyan in the North and become the most important point west of Fort Garry."<sup>2</sup> Owing to its trade and its strategic location, the fort was strongly manned, fortified, and armed. As men left the service of the Company, a great many of them remained in the neighbourhood, becoming responsible for the beginning of settlement in the immediate vicinity of Fort Edmonton.<sup>3</sup>

In its hey-day as an important fur trading post, Fort Edmonton was reached and supplied by canoe travel on

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speaking eight distinct languages, were wont to assemble." John MacLean, McDougall of Alberta (Toronto: F.C. Stephenson, 1927), p. 32.

<sup>1</sup>"Edmonton stood at the eastern end of the 'traverse' to Fort Assiniboine, whence the outfits passed onwards to Lesser Slave Lake, to New Caledonia, and to the Columbia." Morton, op. cit., p. 697.

<sup>2</sup>Hughes, op. cit., pp. 47-8.

<sup>3</sup>Edmonton Bulletin, Feb. 18, 1882.





the North Saskatchewan River. Later the canoe gave way to the York boat. A supplementary means of travel over short distances, that is, from post to post, was provided by horseback in summer and by dog-sled in winter.

After about 1860, in the opinion of Frank Oliver, editor of the Edmonton Bulletin, the importance of Edmonton began seriously to decline so that by the time of the transfer of Rupert's Land to Canada in 1870 it was not "what it had been during the period from say 1813 to 1860."<sup>1</sup> He states:

When trading vessels began to come "around the Horn" to the West Coast, that killed the transcontinental trade route of the Hudson's Bay Company and the glory of Edmonton departed for a time. American traders pushed up the Missouri by steamer to Benton and drew away the Blackfeet trade; and the Plain Crees traded their robes at Carlton or Winnipeg.<sup>2</sup>

Oliver adds the loss of the Oregon coast to the United States and the connection of Fort Garry by railway with St. Paul, Minnesota as other factors contributing to the decline of the Hudson's Bay Company's trading route and to the abandonment in time of the trade across the mountains.

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<sup>1</sup>Oliver, Founding of Edmonton (Edmonton, 1921, recorded by the Historical Society of Alberta), cited by MacDonald, op. cit., p. 51. See Edmonton Bulletin, loc. cit.

<sup>2</sup>Idem. For a detailed discussion of the loss of the Blackfoot trade to American traders, see Paul F. Sharp, Whoop-Up Country, the Canadian-American West, 1865-1885 (Minneapolis: University of Minnesota Press, 1955), pp. 34-7.



The settlement of the present site of Edmonton was preceded by the establishment of certain half-breed settlements in northern Alberta which owed their existence primarily to the initiative of Roman Catholic and Methodist missionaries. As early as 1842, Father Thibeault had established at Lac Ste. Anne, fifty miles northwest of Fort Edmonton, the first permanent mission for Crees and Cree-Métis on the upper Saskatchewan.<sup>1</sup> Advantages of soil, fish, fuel, and security from the Blackfeet attracted him to the location. Ten years later, when Father Lacombe arrived in the Edmonton district, Lac Ste. Anne was his headquarters. In addition, the Church was interested in Lac la Biche, 150 miles northeast of Edmonton, where there was an Indian centre but as yet no permanent mission. Sometime before 1871, a settlement of Métis came into existence there, as reported by Butler.<sup>2</sup>

In 1861, Father Lacombe established a mission at St. Albert, about ten miles northwest of Edmonton, where soon twenty Métis families could be counted as settlers. A bridge built in 1862 under the direction of Lacombe was de-

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<sup>1</sup>The above discussion of Roman Catholic work is based on material taken from Katherine Hughes' biography of Father Lacombe, previously cited.

<sup>2</sup>See p. 1, n. 2.





clared one year later by Milton and Cheadle to be the only one in the Territory (outside the Red River settlement, of course). They found at St. Albert also the first horse-powered mill on the plains, and altogether found the settlement to be the "most flourishing community we had seen since leaving the Red River."<sup>1</sup> It was to St. Albert that Father Lacombe--in 1862--brought the first brigade of Red River carts to cross the prairies with freight between the Edmonton country and Red River,<sup>2</sup> thus anticipating by six years the arrival of the first Hudson's Bay Company's caravan of carts and that Company's decision to abandon the York boats in favor of the carts for freighting purposes. Father Lacombe may thus be seen as one of those pointing the way for the independent traders who with the advent of the carts as the primary means of freighting were able to break the monopoly of the Hudson's Bay Company as a carrier of supplies. By 1872, St. Albert had been declared a separate diocese in which fifteen priests were laboring.

Two years after the founding of the Roman Catholic mission at St. Albert, the pioneer Methodist missionary,

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<sup>1</sup>Cited by Hughes, op. cit., p. 96. A school begun by Lacombe in Edmonton for the education of the children of Hudson's Bay Company clerks and servants was the first regular school opened west of Manitoba. Ibid., p. 88.

<sup>2</sup>Idem



George McDougall, moved from the vicinity of Norway House to the North Saskatchewan valley and made Victoria (later Pagan) his headquarters, having secured the removal of the Smoking Lake mission to that point one year previously.<sup>1</sup> A Methodist mission had been established at White Fish Lake by a Mr. Steinhauer in 1856. At these two centres, English-speaking half-breeds, some of them from the Red River settlement, had formed colonies. Incidentally, therefore, of the six "embryonic colonies" mentioned by Captain Butler in his report on conditions in the North-West Territories in 1871, five--that is, all but Prince Albert--were located in northern Alberta. The first Protestant mission schools west of Portage la Prairie were operated by the Methodists at White Fish Lake and Victoria. The McDougalls, George and his son John, established a mission on the north shore of Pigeon Lake for the Wood Stonies and the Crees. It was in 1871 that George McDougall began a mission at Edmonton, which for a long time had been listed as a "station," having been the headquarters of the missionaries Rundle and Woolsey. Rundle in 1840 had made his home there, and both he and Woolsey were made the guests of the Hudson's Bay Company when at home. It was from here that the McDougalls planted

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<sup>1</sup>This brief summary of early Methodist missions in Alberta is based on material taken from John McDougall's biography of his father, George McDougall, previously cited.





missions at several points in southern Alberta, including Morleyville in 1873, Pincher Creek and Calgary, where a small church was built in 1877.

To complete this account of early settlement in northern Alberta outside of Edmonton, reference must be made to the building of the North-West Mounted Police barracks at Fort Saskatchewan, twenty miles downstream from Edmonton on the south side of the river. This took place in 1875, the police having spent the previous winter in Edmonton at the Hudson's Bay Company post. At that time, settlement was in its early phase in Edmonton. Having lost to Fort Saskatchewan the bid for the police post, Edmonton was fifteen years later to be selected over Fort Saskatchewan for the crossing of the river by the first railway in the north.

The decade beginning in 1867 saw the foundations being laid for the transition of Fort Edmonton from fur trading post to centre of a growing settlement, from Fort Edmonton to Edmonton. Events of national, regional, and local importance followed hard one upon another to make the transition possible. Confederation in 1867 united four British North American provinces into a Dominion which looked increasingly to the acquisition of the Hudson's Bay Company's territories in the West as its birthright--necessary both to the achievement of nationhood and to the fulfillment of a



destiny to unite the British people in the northern half of the continent from ocean to ocean. This inheritance was entered into three years later when the North-West was transferred to Canada. The first brigade of Red River carts (other than Father Lacombe's) reached Edmonton in 1868, inaugurating an era of overland freight and travel between Edmonton and the railhead which was to continue until 1891. While the first land claims were being staked out at Edmonton in 1872, Canadian Pacific surveyors were locating lines for a transcontinental railway to cross the North Saskatchewan River near Edmonton. The Canadian Government in 1875 enacted the North-West Territories Act which provided for a separate Lieutenant-Governor for the Territories and for representation by electoral districts on the Council.<sup>1</sup> The enforcement of the laws of the Territorial and Canadian governments was charged to the North-West Mounted Police, who that year established themselves at Fort Saskatchewan. The following year, Treaty Number Six extinguished the Indians' title to the North Saskatchewan region and prepared for their settlement on reserves. The Government telegraph line had reached Battleford in 1874 and five years later connected Edmonton directly with the outside world.

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<sup>1</sup>Representation acquired by Edmonton District eight years later.





Local historians date the real beginning of settlement in Edmonton at around 1872. That year Rev. George McDougall built a church and home on land he had claimed at the top of the river bank adjoining the Hudson's Bay Company's reserve on the east side. Associated with this venture in pioneering is also Chief Factor Richard Hardisty's "House on the Hill," built in 1874 on the eastern end of the elevation on which the Legislative Building now stands. These projects and the claims staked out by their owners and by other former Hudson's Bay Company employees on lands in the vicinity are credited with "prompting the new Edmonton settlement which up until that time had made no observable appearance."<sup>1</sup>

These events occurred just two years after the Northwest passed under the sovereignty of the Dominion of Canada and two years before the police were to arrive. Frank Oliver stated that up till that time there was no land settled on around Fort Edmonton due mainly to the disturbed condition of the country. There was no law, and no one to enforce it if there had been, he said. "Between whiskey traders and Indians a settler was likely to have a poor chance for reaping what he sowed," wrote Oliver.<sup>2</sup> Nevertheless,

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<sup>1</sup>MacDonald, op. cit., p. 174.

<sup>2</sup>Edmonton Bulletin, Feb. 11, 1882.





McDougall, Hardisty and others staked out their claims and asked for Dominion Government survey.

A significant factor in precipitating the staking of land claims and the beginnings of settlement in Edmonton and vicinity seems to have been the presence there of the Canadian Pacific survey party in 1871 while looking for a route through the mountains. There was an expectation that when the railway should be built it would without doubt traverse the North Saskatchewan country and pass through or near Edmonton--an expectation which was to survive for ten years. Oliver stated much later that among those living in Edmonton in 1878 were a "few who like myself had wandered west and decided that Edmonton was a desirable location to await railway development."<sup>1</sup> Less important stimuli to activity, in the long run at least, were the presence of gold miners from across the Rockies and whiskey traders from Montana, some of whom, according to Oliver, remained as settlers.<sup>2</sup>

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<sup>1</sup>Ibid., July 14, 1930.

<sup>2</sup>Ibid., Feb. 18, 1882. Among the early settlers in Edmonton, several ex-miners are mentioned by G.H. MacDonald, who deals with early settlement in some detail. He includes four who farmed beyond the "Dunvegan Yards," two in the St. Albert settlement, and two who had homes on "Miners' Flat" (Laurier Park). There is, however, no reference to ex-whiskey traders settling in Edmonton.



The staking of land claims is not the same as actual settlement. Rev. William Newton, first Church of England missionary in Edmonton,<sup>1</sup> reported that when he arrived in Edmonton in 1875, "the sparse population consisted of a few Hudson's Bay Company employees, changing mounted police, roaming miners, and people who spoke the Cree language, and were half their time freighting on the plains."<sup>2</sup> He states that he "could not find such persons as we usually designate settlers. Beyond the mission stations even a potato-patch was seldom to be seen, and a farm never."<sup>3</sup> It was not till "years afterwards," he writes, that "real settlers" arrived.<sup>4</sup> Newton mentions the Canadian Pacific survey party making their winter headquarters in 1875-6 at Edmonton.

Another figure who played an important part in Alberta's early days, Colonel Denny of the North-West Mounted Police, was in Edmonton in the winter of 1875-6, and he writes that at that time "a few half-breeds lived in cabins, and some Cree Indians in lodges near the fort."<sup>5</sup> The con-

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<sup>1</sup>By 1875, three churches were represented in Edmonton by a mission: Roman Catholic, served from Lac Ste. Anne in the '40's and from St. Albert after 1861; Methodist, permanently established in 1871; and C. of E., begun in 1875.

<sup>2</sup>Rev. William Newton, Twenty Years on the Saskatchewan (London: Elliot Stock, 1897), p. 67.

<sup>3</sup>Ibid., p. 17.

<sup>4</sup>Ibid., p. 67.

<sup>5</sup>Sir Cecil E. Denny, op. cit., p. 91.





tinuing predominance of fur trading activities is indicated by Denny's comment that he saw bateaux under construction--large flat-bottomed boats--to be used in transporting furs and pemmican to Hudson's Bay in the spring. These scows were of several tons capacity and travelled in brigades of twenty or more boats.<sup>1</sup>

Three years later, according to Oliver, the population of the settlement was 250, including Indians.<sup>2</sup> Some gold miners were now farming while a few others still worked gold from the sand bars. A few former Hudson's Bay Company employees were settled on the land. He mentions also a few like himself who had come from the east and, to complete the picture, the Indians who were camped above the brow of the river hill overlooking what is now Victoria Park. Indicative of the primitive stage of settlement are statistics appearing in the Edmonton Bulletin which show that in 1878 there were in the district but one thresher, one reaper, one or two mowers, and about two dozen plows.<sup>3</sup> Other evidences of activity in and around Edmonton and of the growing importance of the place is seen in the flat-boating of lumber downriver for the government buildings at

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<sup>1</sup>Ibid., p. 95.

<sup>2</sup>Edmonton Bulletin, July 14, 1930.

<sup>3</sup>Ibid., Feb. 18, 1882.



the new Territorial capital at Battleford, the fixing of Edmonton as the terminus of the Government mail route, the placing of steamers on the North Saskatchewan River, the completion of the telegraph line to Edmonton in 1879, the appointment of an Indian agent for the upper Saskatchewan and a timber agent for a still larger district--both to be placed in Edmonton--and the surveying of base lines to the settlement.<sup>1</sup>

Settlement in the Edmonton district<sup>2</sup> and in the North generally was stimulated in 1881-2 by the proposal to run the line of the newly incorporated Canadian Pacific Railway northwest from Selkirk to the North Saskatchewan River and through the Jasper Pass to the Pacific coast.<sup>3</sup> Sanford Fleming's survey located the line so as to run through the point where Leduc now stands which would have

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<sup>1</sup>Ibid., Feb. 22, 1882.

<sup>2</sup>"The early C.P.R. surveys through the Jasper Pass, for which Edmonton was the base of supplies, brought the place somewhat prominently before the eastern public, and in 1880 and 1881, when it was finally decided to build the line, there was a large influx of Canadian settlers, who expected the railway to follow in a few years." Ibid., Apr. 6, 1890.

<sup>3</sup>The Act of Incorporation, passed by the House of Commons on Feb. 1, 1881, was the achievement of the Macdonald administration which had been elected to power in 1878 to succeed the Liberal government of Alexander Mackenzie. The latter had displaced the Macdonald government in 1873 after the "Pacific Scandal."





given Edmonton the desired railway connection with the outside world. On the probability that this prospect would soon be realized and in order

to gain all the advantages and reap all the profits of settlement along the line of the proposed railway, squatters, traders, speculators, and bona fide settlers rushed into the north and augmented the growing populations of Prince Albert, Battleford, and Edmonton.<sup>1</sup>

The price of land along the proposed route shot up in value, and the speculative fever which followed is described vividly by Macoun:

The excitement during the fall of 1881 amongst real estate owners was intense. Nothing to equal it had ever before occurred on Canadian or British soil. Thousands of dollars were made by operators in a few minutes. Vast fortunes were secured in a day. The excitement spread like wild fire all over the country. Cool-headed professional and business men, clerical as well as lay, left their callings in other parts of the country for the scene of the modern Canadian El Dorado. Real estate agents became as numerous as the sands on the sea shore.<sup>2</sup>

On April 23, 1882 the Bulletin reported that "this

<sup>1</sup>Stanley, op. cit., p. 185.

<sup>2</sup>Macoun, Manitoba and the Great North-West (Guelph, 1882), p. 58, cited by Morton, op. cit., p. 60. W.L. Morton writes that "for twelve hectic months Winnipeg lived in a frenzy of speculation. . . . Lots on Main Street were exchanged for higher prices than those then commanded on Michigan Avenue in Chicago. . . . Canada had never seen anything like it before, nor was it ever to see quite such a delirium again." Manitoba: A History (Toronto: University of Toronto Press, 1957), pp. 200-01. D.G. Creighton refers to "a veritable mania of speculation in land--something new in the history of British North America-- which reigned at Winnipeg." Op. cit., p. 317.



boom has struck Edmonton with full force."<sup>1</sup> Hudson's Bay Company lots which in the fall of 1881 sold at twenty-five dollars were selling for 300 dollars. After selling 400 lots in the fall, the Company closed the sale. The Bulletin claimed that these sales were made almost altogether to "wealthy Eastern speculators."<sup>2</sup> Such was the attention focused upon Edmonton as a prospective railway town that even two months before the "boom," the editor wrote that "Edmonton is before the public and now that it has started nothing will turn the stream of immigration aside."<sup>3</sup> Even the abandonment of the northern route by the Canadian Pacific Railway could not shake the confidence that the railway would come through Edmonton shortly and that if the Canadian Pacific Company were not inclined to provide sufficient railways other companies were willing to do so.

Looking back upon this incident in Edmonton's history twenty-one years later, the editor wrote:

To such a pitch had public attention been drawn to Edmonton that in 1882, the year of the great boom, a sale of Edmonton lots took place in Winnipeg which lasted one day and lots went at fabulous prices, but the next day the boom burst and Edmonton was discredited for years as a consequence.<sup>4</sup>

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<sup>1</sup>Edmonton Bulletin, Apr. 23, 1882.

<sup>2</sup>Idem

<sup>3</sup>Ibid., Mar. 12, 1903.

<sup>4</sup>Ibid., Mar. 12, 1903. Two historians link the breaking of the boom with the attempt to promote the Edmon-







The prospect of railway connection for Edmonton and the return of national prosperity resulted in a wave of immigration which, according to Oliver, doubled the population of the village and its environs between the years 1878 and 1882.<sup>1</sup> The increased settlement and greater food production were reflected in the following statistical comparison:<sup>2</sup>

	1878	1882
Grist mills	0	2
Threshers	1	4
Reapers	1	8
Mowers	1 or 2	20
Saw mills	0	2

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ton townsite. W.L. Morton writes that "an attempt to promote the far distant site of Edmonton failed, the boom began to subside. . . ." Op. cit., pp. 200-01. R.G. MacBeth states that "Edmonton . . . was mainly responsible for the breaking of the boom as some men, coming to themselves, realized how foolish they had been to buy lots at an enormous figure in a place, at that date, 210 miles from even a prospective railway station. The Making of the Canadian West (Toronto: William Briggs, 1905), p. 106.

<sup>1</sup>Concerning the general return of prosperity, D.G. Creighton writes: "In this year of rising values and exuberant economic recovery, immigration was certainly flooding into the west as it had never come before." Op. cit., p. 310. Further on, he says: "The boom was obviously at its height. Immigrants had been pouring into the west all summer." Ibid., p. 317. The next year, 1882, the Governor-General wrote to the Colonial Secretary: "The number of people going to the west from Ontario alone will probably be twenty thousand this year." Argyll Papers, Letterbook 3, Lorne to Kimberley, 23 March, 1882, cited by Creighton, op. cit., p. 332.

<sup>2</sup>Edmonton Bulletin, Feb. 18, 1882.





Such was the impact of this immigration on the appearance of Edmonton that whereas an unidentified early historian could report the town of Edmonton in 1880 as consisting of "only five white families and a number of half-breeds,"<sup>1</sup> the missionary John McDougall could write late in 1881 of the sale of hundreds of lots and the construction of a number of buildings. East of the Methodist mission property

a regular village has been built up in which are four large general stores, a butcher shop, steam furniture factory, barber shop, several offices, and a number of private dwellings, while a few hundred yards still further east, there is a large mill, where gristing, sawing, planing and moulding are done.<sup>2</sup>

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<sup>1</sup>Quoted in Denny, op. cit., p. 180. Denny writes that in the spring of 1881 "not much had been done in the way of building . . . at that time. A few lots had been cleared and laid out and Donald Ross had built a small hotel. John A. McDougall, who had arrived in 1876, was in business as a trader. The Hon. Frank Oliver came up in the same year but did not remain . . . he returned in the year 1880. . . . The first Methodist church had been built by George McDougall in 1871 and a large block of land was owned by the church." McDougall, op. cit., p. 151. MacDonald records that by 1881, Edmonton had become a town and settlement of importance, grouped up 111th Street and about a mile further down the river to the east of 101st Street. G.H. MacDonald, op. cit., p. 174.

<sup>2</sup>MacLean, op. cit., p. 171. There are no official statistics for the village of Edmonton itself. The Census of Canada, 1880-81, reported a population for the Edmonton Sub-District of 3,126 [cf. Qu'Appelle--5,241; Battleford--4,830; Bow River--3,275; Prince Albert--3,236], of whom 2,326 were Indian. Of the remaining 800, 480 were French





An old-timer much later recalled that by 1883 there were between thirty-five and forty houses in Edmonton.<sup>1</sup>

Notwithstanding such evidence of growth, the period of expectation--as Frank Oliver called it--<sup>2</sup>drew to a close. Symbolizing and contributing substantially to the succeeding period of stagnation was the decision to divert the Canadian Pacific Railway southward through Regina, Calgary, and the Kicking Horse Pass. In a larger view, the adoption of the southern route in 1881 was one of the most significant events in the history of the Territories. It meant that settlement in the North Saskatchewan country was sidetracked. Not the water routes but the railway line "became the artery of immigration."<sup>3</sup> The Edmonton district

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in origin, 230 English, and 90 of various other origins. The Sub-District of Edmonton North had a population of 1,159--of whom 1,000 were Indians. Census of Canada, 1880-81, Vol. I (Ottawa: Maclean, Roger & Co., 1882).

<sup>1</sup>Dr. George Roy, quoted in Denny, op. cit., pp. 180-1.

<sup>2</sup>Oliver conveniently divided the early history of Edmonton into three periods: 1) from the establishment of the Methodist mission to the boom resulting from the commencement of the C.P.R.--1874 [sic] to 1881--marked by a state of expectation; 2) from the collapse of the boom to the completion of the C. & E. Railway--1881 to 1892--characterized by a state of disappointment and stagnation; 3) from the completion of the C. & E. Railway to the end of the 19th century--1892 to 1900--a period of steadily increasing growth of both town and district but of uncertainty as to the future prospects of the town. Edmonton Bulletin, Dec. 31, 1901.

<sup>3</sup>Stanley, op. cit., p. 186.



was "left in the backwater of neglect as the current of population moved southward."<sup>1</sup> Among other reactions to this decision were the disastrous effect on the price of lands in Winnipeg and the general discontent among Canadians who had gone into the northern region in anticipation of the coming of the railway.<sup>2</sup> G.H. MacDonald writes that the "crowd of immigrants" who arrived in Edmonton in the spring of 1881, having expected when they left their homes the previous season that the railway would proceed to cross the river near Edmonton, reached a dead end. The change in the route "brought consternation and hardship to them, as well as great disappointment and feelings of distrust to the residents of the district which lasted for many years after."<sup>3</sup>

Thus, rather than reaping the benefits of an early railway connection with the outside world, the village of Edmonton and its surrounding district were to struggle for another decade under the handicap of dependence upon the

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<sup>1</sup>Idem

<sup>2</sup>J.F.C. Wright says that the economic depression of the Prince Albert district--which was coincident with that of the Edmonton district--was general throughout Canada but that it was "aggravated by the abandonment of the proposed northern railway route and the consequent collapse of the local land boom." Saskatchewan, The History of a Province (Toronto: McClelland and Stewart Ltd., 1953), p. 79.

<sup>3</sup>MacDonald, op. cit., p. 187.







relatively inefficient ox-carts for their freighting needs. Already for over a decade, these ox-carts had been following old Indian trails across the prairies from Fort Garry to Edmonton, replacing the York boat and the waterways as the primary means of transportation. By 1878 Edmonton was reached from the East by four trails, each of which offered sufficient difficulty to call for somewhat lengthy discussion in the pages of the Edmonton Bulletin as well as pleas to the Territorial Government for improvements:

One of the greatest drawbacks to emigration to this part of the North-West is the difficulty of getting here caused by the length and badness of the road. Although there are four different trails by which to reach Edmonton from the east, during the latter part of the distance they are all so bad it is questionable which is the worst.<sup>1</sup>

Loaded carts were three months on the trail from Winnipeg to Edmonton, hauling about 800 pounds 15 miles a day.<sup>2</sup> A journey in two months was considered fast.

Long freight hauls inevitably meant high prices of goods in Edmonton. The rate for freight was 10¢ a pound.

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<sup>1</sup>Edmonton Bulletin, Jan. 21, 1882. The routes followed by these four trails as described in detail by Frank Oliver are generally confirmed by the Pearce Papers in manuscript form at the University of Alberta.

<sup>2</sup>Although this information is based originally on an interview with Frank Oliver almost fifty years after the events referred to, it is in line with what other sources have to say, including Sharp, op. cit., p. 189. (See B.A. Ockley, "A History of Early Edmonton" (unpublished M.A. thesis, University of Alberta, 1932).)



This charge brought the price of flour in Edmonton to \$15--even as high as \$25--for a hundred pounds.<sup>1</sup> A 200-pound barrel of salt, initially priced at \$1, cost \$20 to \$30 by the time it reached Edmonton.

After the arrival of the North-West Mounted Police and the opening of trading posts in the Whoop-Up country, freight also reached Edmonton by ox-cart from Fort Benton via the I.G. Baker Company's outpost at Fort Macleod. Situated at the head of navigation on the Missouri River, Fort Benton emerged from recession in 1875 to establish a vast commercial and financial empire in the northern plains, expanding its trade across the International Boundary into the Whoop-Up country of southern Alberta. In the fall of 1882, the I.G. Baker Company train of seven teams--each hauling three wagons--delivered flour to Edmonton, returned with a cargo of imported English goods for Macleod and loaded up with coal at Coal Banks near modern Lethbridge for the return trip to Fort Benton.<sup>2</sup>

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<sup>1</sup>Both MacLean, op. cit. and Newton, op. cit., confirm these high prices.

<sup>2</sup>Sharp, op. cit., p. 185. Sharp also refers to I. G. Baker bulltrains in 1880 transporting 40,000 pounds of pemmican to Fort Macleod and Battleford to supply the Indians. Idem. In the freight traffic from Fort Macleod via Fort Calgary to Edmonton in the 1870's is placed the origin of the Calgary and Edmonton Trail which "became an economic way to bring goods" amounting to "a considerable sav-







Until 1876, the river was crossed at Edmonton by ford, boat, or raft. In that year the first ferry was put into operation by John Walters. Six years later, a wire rope ferry was installed near the fort capable of handling at one time six loaded carts and animals. Later, another ferry was operating at the site of the future Low Level bridge.

Transport by waterways, though reduced by the advent of the ox-cart to a secondary role in supplying Edmonton's freighting needs, underwent a revival in the 1870's with the use of steamers on the North Saskatchewan. Nine years after putting the "International" on the Red River to serve Fort Garry from American points, the Hudson's Bay Company placed its first steamer on the North Saskatchewan. In July of 1875, the "Northcote" completed its first trip to Edmonton, landing at a point under the present High Level bridge. Five years later, the steamboats of the Hudson's Bay Company were opened to other traders, and the Company

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ing for the people in the north." Wilk, op. cit., p. 36. Denny states: "In the absence in those days [1875] of a road to Edmonton, we had to depend altogether on our guide." Op. cit., p. 90. In the Pearce Papers, however, there is a reference to an old trail from Edmonton to Morley where Old Bow Fort stood which followed approximately the route of the future railway from Calgary to Edmonton. See Pearce Papers, pp. 3-10.



found itself in the public transportation business. That year, most of the Company's freight came to Edmonton by steamer, according to the Edmonton Bulletin.<sup>1</sup> In 1881, the Hudson's Bay Company abandoned the public freighting business to private traders and the Winnipeg and Western Transportation Company stepped into the breach. Six steamers arrived in Edmonton from Grand Rapids in 1883--the year the railhead reached Calgary--and each succeeding year for the next five or six years from one to five steamers arrived in the village on the upper Saskatchewan, bringing passengers and freight from Winnipeg.

Passenger rates from Lower Fort Garry to Victoria, Fort Saskatchewan, and Edmonton in 1880 were \$70 for a cabin and \$35 for deck up-river and \$65 and \$32 respectively down-river. Freight rates were 6½¢ per pound up-stream and 5¢ per pound down-stream. This rate represented a substantial saving over the 10¢ per pound rate for overland freighting from Winnipeg or Fort Benton. The trip from Grand Rapids to Edmonton up-stream took about fifteen days. This is to be compared with the sixty to ninety days required for overland freighting.

Although high expectations were entertained in Edmonton as to the part steamboats might play in opening up

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<sup>1</sup>Edmonton Bulletin, Nov. 1, 1901.





the country, both as an effective substitute till the railway came and as offering competition in the future to the railroad on eastern-bound freight especially, river navigation was finally dealt its deathblow by the railway.

Looking back from the vantage point of 1901, Frank Oliver described the period from 1881 to 1892 as one of disappointment--over the failure to acquire railway connection--and stagnation, to which that failure contributed. Expressive of this mood were the words written by W.L. Woods to Richard Hardisty in Calgary in 1884: "Money is very scarce here. I never saw Edmonton so flat as it has been this winter; I am sick tired of Edmonton."<sup>1</sup> The spirit of the people was recaptured by Oliver many years later when he wrote of those days:

The collapse of the boom and the diversion of the railway in large measure broke the hopeful spirit that had hitherto prevailed in the town and surrounding country.

. . . . By this time my store had pretty well died down so I gave it up altogether. . . . There followed a period of slow and lean years . . . for the whole Edmonton district. . . . One year followed another with ever recurring sameness and corresponding disheartenment of the pioneers who had banked on the railway.<sup>2</sup>

Figures appearing in the Edmonton Bulletin in 1890, nevertheless, indicate that there was a slow but steady growth

<sup>1</sup>Letter from W.L. Woods to Richard Hardisty, May 12, 1884, cited by G.H. MacDonald, op. cit., p. 5.

<sup>2</sup>Edmonton Bulletin, July 14, 1930.





of the Edmonton district: 5,131 acres cultivated; 3,649 cattle; 953 horses; 1,483 pigs; 707 sheep; a population of over 3,000 (over 500 in Edmonton); and a tract of settlement twenty-five miles square.<sup>1</sup>

The pushing of the Canadian Pacific Railway across the prairies in 1882-3 sealed the fate of the overland freight route from Winnipeg as well as of water transport on the North Saskatchewan River. It also brought to an end the great days of the Whoop-Up Trail from Benton to Macleod, the last important shipments leaving Benton for the latter point in July of 1883.<sup>2</sup> With the arrival of the

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<sup>1</sup>Ibid., Apr. 5, 1890. The population figure seems to be far out of line with Canada Census statistics for 1891. These show a population for the Sub-District of Edmonton of 6,875 (the division into the Sub-Districts of Edmonton and Edmonton North no longer appears: presumably, therefore, both are included in the Edmonton Sub-District in the 1891 census). Possible explanations of the difference are: Firstly, the Bulletin may be referring to a much smaller area (25 by 25 miles?); the Canada Census to be inclusive must be including all Alberta outside the Calgary-Red Deer and Macleod Sub-Districts when it refers to Edmonton. Secondly, the Bulletin may not be including Indians in its figures; the Canada Census does count Indians. Subtracting the Indian population from the latter brings the two figures much closer together. For a revealing comparison, one may note that Canada Census figures show an increase in the total population of Edmonton Sub-District from 4,285 in 1881 to 6,875 in 1891, whereas Bow River Sub-District had a population of only 3,275 in 1881 but Calgary and Red Deer Sub-Districts together with Macleod Sub-District (presumably the equivalent of the Bow River Sub-District) had 18,402 in 1891.

<sup>2</sup>Sharp, op. cit., p. 227.



railway in Calgary in 1883, the trail from Calgary to Edmonton came into its own as an important carrier of freight. At that time, began its peak period before this century as nine-tenths of the freight, mail and travellers came in by trail from Calgary, 196 miles distant. The haul by wagon over this trail required anywhere from eight to fourteen days to complete, and the rate paid for freight was one cent to three cents a pound. The cost of goods due to transportation charges was dropping.

Prior to 1883, the Calgary and Edmonton Trail had been from its beginnings in the '70's a branch of the great commercial empire of Fort Benton. After 1891, it fell into the background of the Calgary and Edmonton Railway which that year reached the south bank of the North Saskatchewan River. In this century, with the advent and popular use of the automobile, it has again become a great artery of traffic. The arrival of the Canadian Pacific Railway at Calgary in 1883 was quickly followed by the inauguration of two stage lines between that city and Edmonton in the summer of 1883. The Royal Mail Passenger Express arrived and departed every twenty days while the Calgary and Edmonton Stage made weekly runs. The trip normally took five days to complete although a "smart team" could cover it in four





days if the roads were good.<sup>1</sup> The one-way stage fare was quoted at from \$15 to \$25.<sup>2</sup>

Before 1890, all rivers and creeks of importance had been bridged except the Red Deer River where a ferry operated when the water was high enough to permit it. Timetables were at the mercy of weather and road conditions. John McDougall, the missionary, who accompanied the Alberta Field Force north to Edmonton in 1885 was responsible for hiring and directing men in repairing the roads "which were in a terrible condition between the Peace Hills and Edmonton."<sup>3</sup>

Although water communications with Winnipeg continued via the North Saskatchewan River and Lake Winnipeg, the overland route from Calgary was preferred to the circuitous nature and uncertainty of the former, the result of low water and bad connections.

The railway's completion to Calgary in 1883 also produced improvements in Edmonton's mail and telegraph service.<sup>4</sup> In 1884, the Government contract provided for a

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<sup>1</sup>Edmonton Bulletin, Apr. 15, 1890.

<sup>2</sup>Wilk, loc. cit.

<sup>3</sup>McLean, op. cit., p. 144.

<sup>4</sup>For its first mail service, Edmonton was indebted to the Hudson's Bay Company who brought the mail packet





mail service between Edmonton and the railway at Calgary on a fortnightly basis. Beginning in 1887, the mail was brought in weekly to Edmonton.<sup>1</sup> In 1886, a second telegraph line--in addition to the Government line via Battleford and Hay Lake--was built along the Calgary and Edmonton Trail. Frequent complaints both as to mail and telegraph service were voiced in the editorial pages of the Edmonton Bulletin over the years.<sup>2</sup>

These were the years, 1883 to 1890, when there was a great deal of agitation for a railway from Calgary which

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from Winnipeg twice each winter by dog team. There was for some time no regular mail delivery in summer, the letters being carried by the kindness of travelling friends. A regular mail service was established between Edmonton and Winnipeg in 1877, the delivery requiring three weeks each way. Dog teams carried the mails in the winter and horses the rest of the year. The Government contract was let to Mr. J. McKay at the rate of \$10,000 per year. As the C.P.R. extended westward from Winnipeg in 1880, the distributing point for the mail service to Edmonton moved successively to Portage la Prairie in 1880, Brandon in 1881, Oak Point and then Qu'Appelle Station in 1882. See Debates of the House of Commons, 54-55 Vic., 1891, pp. 3255-6.

A Government telegraph line reached Battleford in 1874, was extended two years later to Hay Lakes, from where Edmonton was served for a few years, and finally reached Edmonton on Jan. 18, 1880. As a result, on Dec. 6, 1880, the first edition of the Edmonton Bulletin was published.

<sup>1</sup>Debates of the House of Commons, loc. cit.

<sup>2</sup>A Bulletin editorial of 1881 asked for a semi-monthly mail from Winnipeg and corresponding one to Macleod. It was complained that a letter to Macleod--300 miles away--travelled 950 miles through Battleford,





would speed the development of northern Alberta. The farmers of the district prospered on the satisfaction of the local market provided by the demands of the police and the treaty Indians. In addition, some supplies were flat-boated to Battleford, 250 miles away. By 1890, however, it was apparent that any further substantial increase in population would depend on access to an outside market for local produce. The Bulletin editor wrote that "the distance to the railway at present is certainly too great to permit of the profitable export of wheat or other grains or vegetables."<sup>1</sup> In his view, it was an injustice and an injury to the settlers in the area that a district of such size and unlimited promise as Edmonton could boast should still be left in isolation without railway connection.

Southward, the stage coach traversed two hundred miles of almost entirely unsettled, but fertile, land before arriving in Calgary on the Canadian Pacific mainline. The creation, essentially, of that railway, Calgary was

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Cypress, and Benton before getting to Macleod. A letter to Winnipeg and a reply required on the average about ten weeks while a letter to Macleod and a reply took three to four months at that time, complained the Bulletin. The quality of telegraph service was often criticized, the line constructed between Calgary and Edmonton coming down on several occasions and leaving Edmonton with inadequate telegraph service.

<sup>1</sup>Edmonton Bulletin, Mar. 22, 1890.





seeing itself in the 1880's as an important railway centre, anticipating the unlimited benefit that would follow the construction of a railway from Edmonton to Calgary and on to connect with the great transcontinental lines south of the International Boundary. The rich north would become tributary to Calgary and access would be provided to the eastern markets of the United States. John A. Macdonald argued that a railway from Edmonton through Calgary to Macleod would provide transportation facilities for the southern ranching industry.

In its origin, Macleod was a Government site, an early headquarters of the North-West Mounted Police.<sup>1</sup> By the summer of 1875, a small village had sprung up outside

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<sup>1</sup>Certain developments in southern Alberta--the reduction of the Blackfoot through the whiskey trade from "one of the most powerful plains tribes to a poverty-stricken rabble," the losses suffered by the Hudson's Bay Company in its trade on the plains, the massacre at Cypress Hills in 1873 which climaxed a decade of lawlessness in the Whoop-Up country--along with the growing Canadian resentment towards the American free traders hastened the formation of the North-West Mounted Police, who arrived in the region in the late fall of 1874 and proceeded with the construction of Fort Macleod at a strategic site on an island in the Oldman River. Other strategic police posts were quickly located at Fort Walsh in the Cypress Hills, Wood Mountain, and Calgary. The whiskey trade, including that reported by missionary John McDougall at Morleyville and other whiskey posts on the Bow River, was destroyed in a relatively short time. See Sharp, op. cit., pp. 32-51, 91, 103.





the fort at Macleod. Very quickly, the village--like Fort Walsh, Fort Whoop-Up, Fort Calgary and the whole of southern Alberta--fell into the economic orbit of Fort Benton's free trading firms. The Bakers, Powers, and Conrads built stores at these centres and supplied them by bulltrains, muletrains, and express wagons over the Whoop-Up Trail from Benton, Montana. From these outposts, Fort Benton's "Merchant Princes of the Plains" fulfilled huge and lucrative government contracts for the carrying of mails into the Northwest,<sup>1</sup> supplying food and equipment for the North-West Mounted Police,<sup>2</sup> and providing beef and supplies for reservation Indians north of the Boundary.<sup>3</sup> In addition, these firms provided the banking facilities, credit arrangements, and large amounts of cash needed by the Canadian Government for the administration of the West. A vital link between Benton and the Canadian villages was provided by the Benton,

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<sup>1</sup>Until the C.P.R. reached Calgary, mail from Macleod and other Canadian points went east via Benton bearing U.S. postage purchased at an informal U.S. post office in Fort Macleod. See Sharp, op. cit.

<sup>2</sup>In 1875, I.G. Baker sent \$122,771 of supplies to the N.W.M.P., nearly one-third of Government expenditures on the police force that year. Well over one-half of the money appropriated in Ottawa to police the N.W.T. ended in the bank accounts of Benton merchants. Ibid., p. 272.

<sup>3</sup>Treaty No. Seven extinguished Indian rights to the land between the Red Deer River and the Boundary and Fort Qu'Appelle and the Rocky Mountains.



Macleod and Calgary Stage Company, an I.G. Baker subsidiary, making three trips monthly between Benton and Calgary.<sup>1</sup>

Fort Macleod in the 1870's is described by Sharp as "an important economic and political centre"<sup>2</sup> and yet "but an atom of settlement in an empty grassland wilderness,"<sup>3</sup> a "wide, muddy lane with a row of dirty, half-finished wooden shanties flanking each side."<sup>4</sup> So unfortunate was the site selected by the police that it never developed into a permanent settlement, destruction threatening the village with each spring flood. "Signs of age appeared on the town's face prematurely," says Sharp, and residents debated for ten years the advisability of moving to a new site, postponing the shift after each recession of the flood.<sup>5</sup> "Much of it," writes Col. Denny, "had slipped into the Old Man's River and the Commissioner had recommended that the fort be moved and rebuilt in a more secure situation."<sup>6</sup> Finally, in 1884, the Government marked out a new site and

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<sup>1</sup>Sharp, op. cit., p. 185.

<sup>2</sup>Ibid., p. 8.

<sup>3</sup>Ibid., p. 7.

<sup>4</sup>Ibid., p. 202, quoted from Alexander Staveland, From Home to Home: Autumn Wanderings in the Northwest in the Years 1881, 1882, 1883, 1884 (London, 1885), p. 214.

<sup>5</sup>Sharp, op. cit., p. 203.

<sup>6</sup>Denny, op. cit., p. 156.





a new fort was erected on bench land on the south bank of the river. A number of buildings arose to the east and "a new town blossomed at Macleod."<sup>1</sup>

To the north 110 miles, at the forks of the Bow and Elbow rivers, the police built a fort in 1875 and later named the site Calgary. When the police arrived, recalls Col. Denny, "except for roving bands of Indians, all this vast country, for a thousand miles to the east at Winnipeg and two hundred miles to Edmonton in the north, at that time was utterly uninhabited."<sup>2</sup> Father Doucet, sent from St. Albert to study the Blackfoot speech and to establish a mission at Fort Macleod, had a tent at the mouth of the Elbow. He was, says Marianne Molyneaux, "the first white man to occupy the site where Calgary now stands."<sup>3</sup> A week or so later, a bull train arrived from the south. Denny also reports some half-breeds from Edmonton coming down in Red River carts to build cabins on both sides of the Elbow River with the result that "before winter a little settlement had sprung up."<sup>4</sup> These men engaged in freighting for the

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<sup>1</sup>Ibid., p. 202.

<sup>2</sup>Ibid., p. 83.

<sup>3</sup>Marianne Molyneaux, "Early Days in Alberta," Alberta Historical Review, vol. 8, no. 2 (1960), p. 7.

<sup>4</sup>Denny, op. cit., p. 85.





police between Calgary and Fort Macleod. I.G. Baker of Benton built his general store on the flat, the Hudson's Bay Company store was located on the east side of the Elbow, a billiard and dance establishment, several log houses and George McDougall's small church west of the police fort--this was Calgary in its infancy. The following spring, Denny relates, 15,000 buffalo robes went south by bulltrain through the firm of I.G. Baker--besides the Hudson's Bay Company's cargo which went north. Calgary, too, was largely absorbed within Benton's commercial empire.

In its earliest years, Calgary appears to have stood still. Col. Denny, for example, states that in the fall of 1881 when he left Calgary on a trip to Fort Walsh, the only persons left behind were the manager of the I.G. Baker store and the Hudson's Bay Company's trader and his man.<sup>1</sup> Though this seems exaggerated, other accounts are in line with the statement.<sup>2</sup> Of the estimated population of

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<sup>1</sup>Ibid., p. 156.

<sup>2</sup>M. Molyneaux (loc. cit.) writes that before the arrival of the railway in 1883, Calgary consisted of a "dozen log houses" among which the principal one was a trading post. W.F. Bredin later recalled that in 1882 "a single shack stood away up the valley." He mentions also the Baker store, the Mounted Police barracks, and the Hudson's Bay Company's trading post. "Benton to Edmonton in 1882," Alberta Historical Review, vol. 6, no. 3 (1958). A contemporary account states: "Calgary is quite in its infancy. There has been a Hudson's Bay Co. fort here for some years,



3,275 for the Bow River Sub-District in the Canada Census of 1880-81, all but 400 were listed as Indians.<sup>1</sup>

The Canadian Pacific Railway, which broke Benton's grip on southern Alberta, also ushered Calgary out of its torpor into a period of boom. An eye-witness reported: "On the approach of the railway . . . a sudden spurt has taken place, as is shown by a great influx of visitors within the last ten to fourteen days. Fifty to sixty tents and framed houses have already sprung up."<sup>2</sup> Calgary, by the end of 1883, had become "quite a thriving town."<sup>3</sup>

Associated with this new growth in Calgary was the beginning of the "banner period" in the cattle industry of southern Alberta, also made possible by the coming of the Canadian Pacific Railway.<sup>4</sup> Sheep and cattle ranching in southern Alberta was an extension of the Montana industry. Shortly after 1875, Americans and ex-North-West Mounted policemen began herding cattle from Montana into the vicinity of Macleod and later Calgary. In 1881-2, the Cochrane

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and also police barracks, but no other inhabited place." W. Henry Barnaby, Life and Labour in the Far, Far West (London: Cassell & Co. Ltd., 1884), p. 270.

<sup>1</sup>Census of Canada, loc. cit.

<sup>2</sup>Molyneaux, loc. cit.

<sup>3</sup>Denny, op. cit., p. 185.

<sup>4</sup>Denny places this "banner period" in the years 1884-90. Op. cit., pp. 230-1.





ranch brought in 12,000 head from Oregon and Montana. Government grazing leases, first granted in 1881, frequently reached the size of 150 sections. However, large-scale enterprises were being delayed because of the limited market. In 1882, J. Lauder undertook the first drive to Winnipeg--with 400 head. Not till the railway reached Medicine Hat in 1883 were eastern markets made available to Alberta ranchers.<sup>1</sup> The next year large cattle outfits from Montana began stocking Canadian ranges with cattle from south of the boundary. After 1885, when the Canadian Government imposed a tariff against American cattle, ranchers began importing better quality cattle from Canada and Great Britain.<sup>2</sup> Fenced ranches replaced the open range, and in 1885 the greatest and last general round-up was held, according to Col. Denny, with 60,000 head gathered from Calgary south. By 1887, the Government estimated, reports Denny, that there were 147,000 cattle, 11,000 horses, and 24,000 sheep south of the Bow River.<sup>3</sup>

By this time, a new town had been in existence at Macleod for three years, Edmonton was "slowly forging ahead," and Calgary was showing "symptoms of becoming a

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<sup>1</sup>Sharp, op. cit., p. 238.

<sup>2</sup>Ibid., p. 240.

<sup>3</sup>Denny, loc. cit.





large town."<sup>1</sup> "Ranches were now to be found here and there between Edmonton and Calgary," writes Denny, "and in greater number from there to Macleod and on to the Boundary."<sup>2</sup> For this burgeoning industry, Canada's Prime Minister wanted an Edmonton-Calgary-Macleod railway.

Furthermore, the influx of small farmers into Alberta had begun in 1884 when 2,000 settlers took homesteads in the District, according to figures cited by Denny.<sup>3</sup> Conflicts had already arisen between the large leaseholders and squatters, and in 1883 the Government had found it necessary to reduce the number of large leases and cancel

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<sup>1</sup>Ibid., p. 202. In 1884, Calgary along with Regina--which one year earlier had replaced Battleford as capital of the N.W.T., had been the first centres in the N.W.T. to be incorporated as towns. [Since 1887, Alberta had been represented in Ottawa by one of the four Members of Parliament elected in the N.W.T.] Edmonton, in 1883, and Calgary, in 1884, had qualified for representation by one Member each in the N.W.T. Council under the provisions of the N.W.T. Act, 1875. In 1884, the fight for responsible government in the N.W.T. had begun, leading to the N.W.T. Act, 1888, which provided a measure of responsible government by stipulating that the Lt. Gov. of the N.W.T. must choose four members from the newly-appointed 22-member Legislative Assembly to sit on the Advisory Council, which together with the Lt. Gov. formed the Executive. The Advisory Council, led by F. Haultain, resigned in 1889 over a disagreement between it and Lt. Gov. Royal as to control of moneys granted by the Federal Government. In 1891, a regular Cabinet was formed of four members from the Legislative Assembly, one serving as Premier; one year later the money grant was turned over to the control of the Legislative Assembly. This information is based on Stanley, op. cit., Denny, op. cit., and MacBeth, op. cit.

<sup>2</sup>Denny, op. cit., p. 202.

<sup>3</sup>Ibid., p. 230.



those on unoccupied lands.<sup>1</sup> Nevertheless, as Sharp points out, "ranching lingered in the region as the major industry many years after farmers displaced it in the central plains."<sup>2</sup>

The effects of the building of the Canadian Pacific Railway were far-reaching--in southern Alberta as well as in Canada as a whole. Chicago, St. Paul, and Benton had been virtually eliminated from the Canadian trade; Winnipeg became the new sub-metropolis, the focus of western expansion north of the boundary; and "regional leadership . . . in Sunny Southern Alberta . . . moved to Calgary."<sup>3</sup> Railways had "destroyed the commercial empires built around Missouri River traffic and reduced Fort Benton and its outpost at Fort Macleod to merchandising centres serving limited agricultural communities."<sup>4</sup>

What might another railway, a north-south road intersecting the mainline at Calgary, do for Edmonton and Macleod?

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<sup>1</sup>Sharp, op. cit., p. 240.

<sup>2</sup>Ibid., pp. 245-6.

<sup>3</sup>Ibid., p. 314.

<sup>4</sup>Idem





## II

### EARLY RAILWAY VENTURES

Anticipation of railway connection and of the benefits which would inevitably follow never really died in Edmonton. Local agitation suffered only a temporary setback with the diversion of the Canadian Pacific Railway to the southern route and, in reality, was stimulated by the fact that the nearest railway point was now only 190 miles distant rather than 1,000 miles. The obvious necessity of a railway as the only effective means of ending isolation, securing access to larger markets for local surpluses, and speeding economic development was felt increasingly as time went on. Numerous ventures, furthermore, which gave early promise that was never realized and which raised high expectations only to dash them to the ground kept fond hopes alive.

Projects for railways terminating at or touching Edmonton go back almost two decades before the building of the Calgary and Edmonton Railway. A retrospective look in 1890 revealed that there had been prospects as far back as





1873 at the time of the first Canadian Pacific Railway survey, but this project fell with the Macdonald Government that year. In 1876, during the succeeding Mackenzie Administration, the prospect seemed near realization in the eyes of the Edmonton Bulletin when the Dominion telegraph line was completed to Hay Lakes. By 1880, the outlook seemed "as good as it could be" but "once more it failed to materialize," and "from that time on Edmonton was the . . . objective point of numberless paper railways chartered and unchartered."<sup>1</sup>

Notice was taken in the Bulletin early in 1881 of the pending application to Parliament for charters by two Peace River railway companies. One projected a line to connect the Milk and Peace rivers. The other, the Saskatchewan and Peace River Railway Company, contemplated building from Edmonton to Dunvegan with a branch to Lake Athabasca.<sup>2</sup>

It has already been pointed out that Edmonton was very near the originally projected line of the Canadian Pacific Railway surveyed by ~~Sandford~~ Fleming in the early '80's. While the route along the North Saskatchewan val-

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<sup>1</sup>Edmonton Bulletin, May 10, 1890.

<sup>2</sup>Ibid., Feb. 14, 1881.



ley through the Yellowhead Pass offered distinct advantages, such as far greater fertility of land and an easier pass through the mountains, it also suffered from certain liabilities which ultimately were to swing the decision in favor of the southern route.

Firstly, during the years that the main line was being built from Lake Superior, settlement had begun to spread westward into the prairies from the valley of the Red River. The northern route would have by-passed this settled area.

Secondly, the southern route was more direct and would be 100 miles shorter. As J.F. Wright puts it, "There was the added inducement of less costly and more rapid construction across the southern open plain."<sup>1</sup>

Thirdly, the route across the prairies was more likely to prevent a rival road being constructed south of it later; in particular, it would exclude American railways from exploiting the Canadian territory. The southern route would, furthermore, place the Canadian Pacific Railway in a much better position to wage a "struggle with American rivals for the traffic south of the border."<sup>2</sup>

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<sup>1</sup>Wright, op. cit., p. 63.

<sup>2</sup>Creighton, op. cit., p. 318.





In the fourth place, the findings of Professor Macoun's investigation in 1879 went against the reports of Palliser, Dawson, and Hind and showed that only a very small section of the prairies was hopelessly arid. On the contrary, Macoun reported that the southern prairies would provide a fine wheat-growing region.<sup>1</sup> The myth of "Palliser's Triangle" was challenged. W.L. Morton attributes to Macoun's survey along with the engineers' surveys of the Manitoba highlands the prime reason for the changed route.<sup>2</sup>

Very interesting is the statement of Col. Denny, a contemporary of the event under discussion, who writes that among the various explanations put forth,

no doubt pressure exerted by wealthy cattle companies in the south was responsible for the shift. The Edmonton district had few settlers at the time and their representations counted for little against those of these powerful interests.<sup>3</sup>

Very likely, two of these factors--the greater possibility of combating American competition and the optimis-

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<sup>1</sup>Macoun reported that "rainfall, though limited, occurred mainly in the growing season of June and July." See comments by Wright, op. cit., pp. 62-3.

<sup>2</sup>"In 1879 as a result of W.A. Macoun's survey of the southern plains and of engineers' surveys of the Manitoba highlands, it was determined to carry the line westward across the plains to a southern pass in the Rockies." Op. cit., p. 159.

<sup>3</sup>Denny, op. cit., p. 159.





tic findings of Professor Macoun--did most to compel the far-reaching decision to abandon the Saskatchewan valley in favor of the southern prairies, a decision described by Creighton as a "daring innovation."<sup>1</sup>

Hope of imminent railway connection for Edmonton, however, was not altogether dashed by the switch in route of the Canadian Pacific Railway. The Bulletin reported shortly after the announcement of the diversion of the route that

it has been decided to build a branch line from some point on the main line near Qu'Appelle to some point on the Saskatchewan River--probably Edmonton--simultaneously with the building of the main line by Calgary.<sup>2</sup>

Failing this event, the Bulletin editor wrote confidently:

Even if the C.P.R. do not feel inclined to supply this country with sufficient railways other companies are willing and able to do so.<sup>3</sup>

Later that year, an advertisement was placed in the Bulletin giving notice of intention to apply at the next session of Parliament for a charter to build a railway from near Edmonton via Calgary and Macleod to Cypress Hills. In the following year, 1883, the paper speculated on the possibility of a railway from Calgary to Edmonton by the be-

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<sup>1</sup>Creighton, op. cit., p. 318.

<sup>2</sup>Edmonton Bulletin, Jan. 28, 1882.

<sup>3</sup>Idem



ginning of the next season.

An Act incorporating the Alberta and Athabasca Railway Company was passed by the Canadian Parliament in its 1885 session, authorizing a group of capitalists, American and Canadian, to construct a railway

from some point on the Bow River, or the Canadian Pacific Railway, at or between Calgary and Crowfoot Creek, northerly to a point on the Athabasca river, crossing the North Saskatchewan near to the town plot of Edmonton.<sup>1</sup>

The Company was granted authority not only to construct and work a line of railway but also

to own and operate telegraph and telephone lines along the line of the said railway, and to construct, charter and navigate vessels, and to build docks, wharves, warehouses and grain elevators upon the Red Deer, North Saskatchewan and Athabasca rivers, and upon other rivers and streams tributary thereto.<sup>2</sup>

The Company was authorized to issue \$1,500,000 in capital stock and to sell bonds totalling not more than \$20,000 per mile, to be secured by first mortgage upon the undertaking, tolls, and property of the Company, real and personal.

In aid of construction the Government made the usual grant of 6,400 acres of land for each mile of the Com-

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<sup>1</sup>Statutes of Canada, 48 Vic., Cap. 85, assented to 20th July, 1885.

<sup>2</sup>Idem





pany's railway. Construction was to begin within two years (by 1887) and to be completed within six years (by 1891).<sup>1</sup>

During the debates of 1890 on the bill to incorporate the Calgary and Edmonton Railway Company, the Prime Minister in offering background information referred to the failure of the Alberta and Athabasca venture as an example of how "singularly unfortunate" the district between Calgary and Edmonton had been in securing railway accommodation. The Alberta and Athabasca Railway Company, he said, "failed altogether." He went on, "It was, I am afraid, a good deal of speculative enterprise, and was not formed so much for the sake of constructing a railway as for the prospective profits that might be made out of it."<sup>2</sup>

Two years later, prominent English capitalists were brought into association with the Alberta and Athabasca project and undertook to try to raise the required capital for construction. Parliament passed an amending Act changing the Company's name to The North-Western Railway Company of Canada with headquarters in Montreal.<sup>3</sup> Named in the Act

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<sup>1</sup>Ibid., 48-49 Vic., Cap. 88, assented to 20th July, 1885.

<sup>2</sup>Canada, Debates of the House of Commons, 6th Parl., 4th Sess., 53 Vic., 1890, Vol. xxx, 4419f.

<sup>3</sup>Statutes of Canada, 52 Vic., Cap. 65, assented to 16th April, 1889.





as directors were Mackworth Bulkley Praed, John Maurice Lloyd, John Dale, and James Lloyd, all of London, England; Charles T. Drummond of Winnipeg, William White of Sherbrooke, and C.C. Colby, M.P. (Colby had also been a director of the preceding Company).

The new Company was authorized to build extensions to the Peace River at or near Dunvegan, to Lethbridge or to the International Boundary from the southern terminus, and to a point fifty miles eastward from their main line at or near Red Deer. Construction was to be completed 100 miles north from the Canadian Pacific Railway by December 1, 1890, to Edmonton by December 1, 1891, and to Lethbridge or to the International Boundary by December 1, 1892. Authorized stock was raised to \$2,500,000 and bonds issued were not to exceed \$25,000 per mile.<sup>1</sup>

In order to induce the Company to build within three years, the statutory land grant was increased to 10,000 acres per mile instead of the customary 6,400 acres. The grant was to be for approximately 330 miles of line between Edmonton and Lethbridge.<sup>2</sup> The Sessional Papers of

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<sup>1</sup>Idem

<sup>2</sup>Ibid., Cap. 4, assented to 2nd May, 1889. For a review of the legislation concerning this Company, see Sessional Papers, No. 9, 1893.



1891 show 3,310,000 acres granted to the Company.

In the 1890 debates in Parliament, the Prime Minister spoke of this renewed attempt to put through the railway:

Two years ago, negotiations took place with some English capitalists, including two leading members of two banking establishments in London. Both of those houses are exceedingly respectable, and the individual members of the two houses, who became promoters of the undertaking, are gentlemen of very good standing, and they made every "bona fide" exertion to raise sufficient capital to build that railway. . . . The syndicate did all they could to obtain sufficient capital for the purpose of completing the work, but they failed and acknowledged that they had to give up the task.<sup>1</sup>

A terse statement in the Annual Report of the Department of Railways and Canals for 1893 provides a fitting epitaph for yet another still-born railway: "Nothing appears to have been done in connection with this railway."<sup>2</sup>

It was this railway venture which was considered the predecessor of the Calgary and Edmonton Railway Company. Similarities in the lines projected are obvious. The failure of the North-Western Railway Company to attract the necessary financial support in spite of the large land grant was cited by E.B. Osler (see below) in his defence of the financing of the Calgary and Edmonton Railway in Parl-

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<sup>1</sup>Canada, Debates of the House of Commons, loc. cit.

<sup>2</sup>Sessional Papers, ibid.





liament.

An even more ambitious railway scheme from which the Saskatchewan valley and, in particular, the Edmonton district could be expected to benefit provides yet another example of a grand plan which for many years made great pretensions but eventually went for nought as far as its original purpose is concerned. The Northwest Central Railway Company was chartered in 1884 for the purpose of constructing a line from Brandon through Battleford and Edmonton to the Rockies. A fifty mile belt of land was set aside along the projected line, and "on the strength of the prospective construction of this road settlers went into the country along the proposed route," complained the editor of the Edmonton Bulletin.<sup>1</sup> Numerous extensions of the charter were asked for and received from Parliament. After fifteen years, only fifty miles had been built from Brandon. In 1899, the Canadian Pacific Railway bought up the Company for twenty cents on the dollar. This Company drew down the ire of the editor of the Bulletin for, among other things, discouraging railway construction in the region so long as it held the charter. It was held up as an example of railway speculation at its worst.

In the spring of 1890, a dozen railway schemes, ac-

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<sup>1</sup>Edmonton Bulletin, June 12, 1899.





cording to the Bulletin, included Edmonton among their targets. Of these, only two apparently gave any promise of amounting to anything. One of the two was the Northwest Central Railway Company which had just started construction from Brandon the previous fall, but it, too, was to disappoint any who entertained hopes of its serving the North Saskatchewan country, as has been pointed out.

The other prospect was for a line from Calgary to Edmonton, for which a charter had been in existence under one name or another for six years. The Bulletin reported that the holders of the charter under the name of the Alberta and Northwestern Company had transferred their rights to the contracting firm of Ross, Mann and Holt, then engaged in the construction of the Regina, Qu'Appelle and Long Lake Railway. After so many disappointments, it was to be expected that some degree of skepticism should appear:

Latterly all faith in railway prospects of whatever kind has been lost with the natural result of general discouragement and consequent slackening of material progress.<sup>1</sup>

This doubt, nevertheless, was coupled with the confidence that something would soon be built, though the editor of

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<sup>1</sup>Ibid., May 17, 1890. The same note of cynicism appeared in the editorial pages of the Calgary Herald at the time: "Charter after charter has been granted to companies to build over the route indicated. The Chinook Belt railway; the Alberta and Athabasca (now the Northwest-



the Bulletin wondered about the possible effect of repeated disappointments on the ability of the people to take advantage of a railway now.

As it turned out, the revived expectation that this latest prospect would materialize soon in a railway from Calgary to Edmonton was not misplaced, but the termination of the line on the south bank of the North Saskatchewan River four miles south of the site of Edmonton was a blow to the hopes of Edmonton, and the district north of the river had to wait another decade before the first train would cross the river into Edmonton in 1902. Thus, the period of repeated disappointments ending in 1891-2 with the construction of the railway to Strathcona was to be succeeded by a decade of somewhat bitter feeling against the railway company and continuous agitation and promotion to complete the extension across the river into Edmonton. The agitation ended in 1902 with the arrival of the first train but the bitterness lingered on.

This reference to the continuation of frustration after 1891 is to anticipate much, and such was not the

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ern); the Red Deer; the Calgary, Alberta and Montana: and now the Calgary and Edmonton are asking for a charter. It is a railway and not meaningless charters the country wants." Nov. 27, 1889.





prevailing feeling of Edmontonians in the spring of 1890, a feeling which was expressed in the editorial pages of the Edmonton Bulletin that spring:

For the third time prospects seem to be near realization. . . . A company . . . has been formed, a charter . . . granted, surveyors are . . . locating the road, the route has been examined throughout by the railway company . . . and also by . . . the construction company who give the strongest assurances that within eighteen months representatives of the effete civilization of the east will have the privilege of viewing the glories of the upper Saskatchewan valley from the windows of a palace car. . . . Whatever prospects we have had before they were never so bright as now.<sup>1</sup>

That the coming of the railway from Calgary was expected to signal a fantastic boom to Edmonton and district is also clear:

The change that the advent of the railway will work in this district can scarcely be appreciated at the present time. With settlers coming in to occupy and develop our lands, with capital coming in to work our coal mines and forests, our petroleum fields and gold deposits no longer living apart, but brought in close touch with the great world, there cannot be otherwise than a flourishing country and thriving city that will be the pride of the inhabitants and a credit to the great country of which they form a part.<sup>2</sup>

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<sup>1</sup>Edmonton Bulletin, May 10, 1890.

<sup>2</sup>Idem





### III

#### INCORPORATION

In the early spring of 1890, the Calgary and Edmonton Railway Company was incorporated and granted authority to

lay out, construct and operate a railway of the gauge of four feet eight and one-half inches from a point on the line of the Canadian Pacific Railway Company, within the town of Calgary, to a point at or near Edmonton, with power to extend southerly to the International Boundary between Canada and the United States, and northerly to the Peace River.<sup>1</sup>

Significantly, the Act provided the legal basis for the close relationship which from the beginning existed between the Calgary and Edmonton Company and the Canadian Pacific Railway,<sup>2</sup> a relationship some times misunderstood and confused, many times deplored, and to which blame was at-

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<sup>1</sup>Statutes of Canada, 53 Vic., Cap. 84, assented to 24th Apr., 1890. Entitled An Act to Incorporate the Calgary and Edmonton Railway Company. In the quotation lies at least a partial explanation of the name of the railway. Edmonton and Calgary were the chief termini of the line, these two were the largest centres in Alberta, the section between those two points would be the most important part of the whole line, and the completion of it first was provided for in the Act. Macleod was not even mentioned in the Act though it was understood the line would pass through that point.

<sup>2</sup>See Chapter Nine of the Act.



tached for inadequacies in the railway service subsequently offered by the Company.

Since the projected railway was expected to serve the purposes of the Dominion in opening up and developing a region not reached by the Canadian Pacific Railway, it qualified as a "colonization railway" and as such was given the usual grant of 6,400 acres of Dominion land for each mile of the Company's railway from Calgary to a point on the North Saskatchewan River at or near Edmonton--a distance of about 190 miles--and from Calgary south to the International Boundary--a distance of about 150 miles.<sup>1</sup>

In addition to the subsidy in land, a further inducement in the form of a cash grant was made--a subsidy not offered to those earlier ventures projected to Edmonton. In return for carrying government men, supplies, materials, and mails for twenty years, the Company was to receive an annual grant of \$80,000--a total value in excess of \$1,600,000 when interest is included.<sup>2</sup>

Two months later, a contract for transport service

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<sup>1</sup>Entitled An Act to Authorize the granting of Subsidies in Land to certain Railway Companies. Ibid., Cap. 4, assented to 16th May, 1890.

<sup>2</sup>Entitled An Act respecting a certain agreement therein contained with the Calgary and Edmonton Railway Company. Ibid., Cap. 5, assented to 16th May, 1890.





was made with the government calling for completion of the first 100 miles by November 1, 1891 and of the whole road by November 1, 1893. On December 26, 1890 the Company entered into a contract for the work of construction under subsidy, agreeing to complete the line north of Calgary as stated above and to construct fifty miles south by November 1, 1892, and to the Old Man River by November 1, 1893. The deadline for reaching the International Boundary was to be fixed by the Governor-in-Council.<sup>1</sup>

The Calgary and Edmonton Railway Company was analogous in several ways to the Company's elder sister, the Regina, Long Lake and Saskatchewan Railway Company, which was under construction at the time of the incorporation of the Calgary and Edmonton Railway. In purpose of construction, relationship with both the Dominion Government and the Canadian Pacific Railway, promotion, financing, and problems later encountered, similarities between the two companies and between their roads abound to such a degree that in the parliamentary debates concerning them, for example, they were often lumped together and what was said of one was generally held to be true of the other. It must also be stated, however, that certain significant differences developed.

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<sup>1</sup>Sessional Papers, No. 10, 1891.





Named as provisional directors of the Company by the act of incorporation were James Ross, Edmund B. Osler, Herbert C. Hammond, William Mackenzie, Nicol Kingsmill, Herbert S. Holt, and Donald D. Mann.

Osler and Hammond were members of the investment firm of Osler and Hammond (later Osler, Hammond and Nanton) of Toronto, who acted as agents for the investment of large sums of money entrusted to them by clients. For example, in 1883 Augustus Nanton was sent by the firm of Osler and Hammond to open a branch office in Winnipeg in order to secure new fields for the investment of sums sent by clients in Scotland. In the years following, Nanton "succeeded in building up for the North of Scotland Canadian Mortgage Company the largest and best mortgage business in Manitoba."<sup>1</sup>

About 1890, the firm of Osler, Hammond and Nanton were appointed the agents for the Calgary and Edmonton Land Company--to whom the land grant of the Calgary and Edmonton Railway Company had been assigned--and for the Qu'Appelle, Long Lake and Saskatchewan Land Company for the sale of their lands, as well as for the Calgary and Edmonton Town-site Company which had lots for sale in the leading towns along the railway from Edmonton to Macleod. During these

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<sup>1</sup>R.G. Macbeth, Sir Augustus Nanton (Toronto: The MacMillan Company, 1931), p. 32.



years, other land companies were appointing Osler, Hammond and Nanton as agents for the sale of their lands. In addition,

a considerable amount of land was owned by parties in eastern Canada, United States and Great Britain, and many of these appointed Osler, Hammond and Nanton their agents for the sale of their lands, on a commission basis, and a large amount of land was disposed of.<sup>1</sup>

Ross, Mann, Holt and Mackenzie were all railway contractors and had been engaged in the construction of the Qu'Appelle, Long Lake and Saskatchewan Railway. Before that, they had taken contracts in the building of the Canadian Pacific Railway. It was in such enterprises as the Calgary and Edmonton Railway that the foundations were being laid for the formation of the famed partnership of William Mackenzie and Donald Mann of the Canadian Northern Railway Company. It was, indeed, ironic that when the Calgary and Edmonton Railway Company refused some years later to extend their line into Edmonton, it should be Mackenzie and Mann who would complete the extension and in so doing find it impossible to come to an agreement with the Calgary and Edmonton Company for the operation of the short spur.

Another interesting provision of the incorporating

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<sup>1</sup>Ibid., p. 35.





Act was that which empowered the Company to

own, construct, charter and navigate steamboats and other vessels upon the Red Deer, North Saskatchewan and Athabasca river, and upon other rivers and streams tributary thereto, and construct, own, lease and use docks, warehouses, grain elevators and other works for facilitating transportation upon the said rivers or streams, or any of them.<sup>1</sup>

In the debate in the House of Commons concerning the contract with the Calgary and Edmonton Company, the Prime Minister spoke of the need for this "great line" and declared that

it is of great importance that the flow of capital and the immigration of gentlemen from England, who have taken a fancy to that country and are now spending large sums of money in ranches, raising cattle and horses, should not be checked, as it will be pretty soon if means of transport are not furnished for the cattle; and I am therefore extremely anxious that this road should be built as soon as possible.<sup>2</sup>

Many were the objections raised in Parliament to the terms offered by the Government to the Calgary and Edmonton Railway Company. The population of the area was too small; therefore, the railway was premature. Railways were already far ahead of settlement, and rather than scatter settlement still further, an attempt should be made to concentrate settlers within narrower limits. Areas further

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<sup>1</sup>Statutes of Canada, 53 Vic., Cap. 84, assented to 24th April, 1890.

<sup>2</sup>Debates of the House of Commons, loc. cit.





east in Manitoba were still unsettled on account of lack of railway service, and these areas should be looked after before lines were projected "into the wilderness." Earlier projects in the Northwest had been taken up by speculators who had no capital--this venture might be another instance of the same. Inducements being offered to the Company were too great, particularly, as some argued mistakenly, since the road would run through prairie country, and the cost of construction would be relatively low. More land would be "locked up" and held at high prices, thus benefitting speculators, not settlers. The ranching interests referred to by the Prime Minister needed no railway since 150 to 200 miles was not too great a distance to drive cattle to market. A railway running northwestward through Battleford would be more practical and would offer a more direct route. River transportation was still adequate for the region in question. Finally, the project would merely serve as a means by which the Canadian Pacific Railway would acquire another line, a valuable tract of land, and a handsome subsidy.

Perhaps the critics did not see this railway as the Prime Minister did--a small but important piece taking its place in his national policies for Canada. Fundamental to



Macdonald's long-term national projects after the acquisition of Rupert's Land had always been the settlement of the West as well as the building of eastern industry. The major and indispensable policy in the achievement of this aim was the construction of the Canadian Pacific Railway. By 1880, the "development of the North-West Territories had become Macdonald's main concern."<sup>1</sup> By contrast with the haphazard and unplanned nature of much of American expansion toward the Pacific, Canada had been "fortunately in a position to organize and prepare in advance for almost the entire process of settlement."<sup>2</sup> The aboriginal title to the land had been extinguished and the natives settled on reserves, the enforcement of law and order had been provided for, a system of free homestead farms adopted, a uniform survey system pushed forward, political institutions established, telegraph lines extended, immigration propaganda broadcast to attract settlers--but immigrants still must have transportation for themselves, their effects, and their future produce. To carry settlers westward to the valleys of the Saskatchewan and to bring back their produce, the Canadian Pacific Railway had been projected as early as 1871 and built by the end of 1885. But the diversion of

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<sup>1</sup>Creighton, op. cit., p. 291.

<sup>2</sup>Ibid., p. 292.





the railway to the southern route had left the North Saskatchewan country in the "backwaters." It implied the construction either of branch lines or--very unlikely at the time--of a second transcontinental railway if settlement was to fill up the rich North Saskatchewan region.<sup>1</sup>

It is in this context that incorporation and construction of the Calgary and Edmonton railway must be viewed. Not surprising, therefore, was the Prime Minister's rejection of the arguments advanced against the act of incorporation. The "Old Chieftain" piloted the bill through the House without much difficulty.<sup>2</sup> On the 24th of April, 1890 Lord Stanley gave royal assent to the bill.

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<sup>1</sup>There is painful irony in the fact that when Edmonton actually was connected with the branch from Calgary, it was barely three years before the second transcontinental arrived, and, further, the connection might have been delayed still longer had it not been for the approach of that second transcontinental, the Canadian Northern Railway.

<sup>2</sup>Several themes intrude at this point: What was the relative importance of Government initiative and local agitation or between Government initiative and the actual need in the pioneer region in the securing of the railway? Was local agitation of any importance at all? The whole theme of the role of Government plans and policies and their implementation in the development of the Canadian West and a comparison at this point with the American experience suggests itself.





#### IV

#### FINANCING

One aspect of the Calgary and Edmonton Railway story fraught with controversy was the manner in which it was financed. It was charged that the men behind the railway company had used certain Government subsidies, not for the purposes intended by the Government but, rather, for their own benefit and to the injury of settlers, bondholders, and the development of the North-West in general. The chief spokesman for the Company, E.B. Osler, claimed that in the matter of financing the Calgary and Edmonton Railway Company should be held up as a model for other railways in the Dominion. A comparison, however, of Osler's public utterances with the evidence available provides considerable justification for the criticisms levelled by western Members of Parliament and by the editor of the Edmonton Bulletin.

The legal basis for the financing of the Company was laid down in the act of incorporation,<sup>1</sup> supplemented

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<sup>1</sup>See Sections "5" and "8".



by relevant sections of succeeding acts affecting the Calgary and Edmonton Railway Company.

The act of incorporation authorized capitalization of the Company at \$1,000,000, such stock to be called up as necessary with no call exceeding ten per cent on the shares subscribed.

The same act empowered the Company to issue bonds, debentures, or other securities, to the extent of twenty-five thousand dollars per mile of the railway and branches, and such bonds, debentures or other securities may be issued only in proportion to the length of railway constructed or under contract to be constructed.<sup>1</sup>

It was especially in connection with bonding that controversy later arose, both in the Bulletin and in Parliament. Accusations were made that the railway was overbonded, that there was deception regarding the security for the bonds, and that the proceeds of the bond sales were misused.

Additional and very important financial resources were made available from the public assets, as has already been pointed out. Land in the amount of 6,400 acres for each mile of railway constructed was granted to the Company. For the line from Edmonton to Macleod, the grant totalled 1,888,448 acres. Concerning the importance of this land grant in the total financing of the railway, Chester

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<sup>1</sup>See Section "8".





Martin writes: "There can be no doubt, moreover, that financial support in Great Britain was attracted very largely by the prospects of the land grant."<sup>1</sup>

A cash subsidy of \$80,000 was to be paid annually for twenty years to begin upon completion of the section of railway between Calgary and Edmonton. In the words of the act granting the subsidy, the express purpose of the grant was "to enable the . . . Company to construct . . . their railway . . . from . . . Calgary to a point on the North Saskatchewan River near Edmonton."<sup>2</sup> Of such importance did both the Government and the Company consider this aid that the Prime Minister declared in the House of Commons: "Without it, I think there would be no chance of the road being built."<sup>3</sup> The same inducement offered to the Qu'Appelle railway had meant, according to the Prime Minister, that "private investors, hitherto reluctant, at once took up the contract to build the railway."<sup>4</sup> This cash grant--pledged to Company bondholders as partial payment of the interest on their bonds--was missing from arrangements with the ear-

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<sup>1</sup>Morton and Martin, op. cit., p. 322.

<sup>2</sup>Statutes of Canada, 53 Vic., Cap. 4, assented to 16th May, 1890.

<sup>3</sup>Debates of the House of Commons, loc. cit.

<sup>4</sup>Idem





lier companies and seems to have been just what was needed by way of extra inducement to English financiers to take up the project.<sup>1</sup>

In any sale of bonds by the Company, one important provision of the act last cited would go far to attract prospective purchasers of Company bonds. It provided that

in order to facilitate such financial arrangements as will enable the Calgary and Edmonton Railway Company to commence and carry on the construction of the said railway without delay, that Company may agree with the Canadian Pacific Railway Company for the lease and operation of the said railway in whole or in part by the latter Company . . . and such terms may include the right of the latter Company to purchase the said railway . . . and the stock, bonds and securities of the former Company.<sup>2</sup>

In view of the above provisions, which made possible a choice among several close relationships between the two companies, and considering the role that the Calgary and Edmonton Railway must necessarily have occupied in the plans of the Canadian Pacific Railway--in effect serving as a feeder of its main line--, legislation was passed in the following year authorizing the latter to issue consolidated debenture stock additional to that which

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<sup>1</sup>What effect, if any, the return of prosperous times in Canada in 1888-9, after five years of depression, had on the willingness of investors to put their money into the railways cannot be known.

<sup>2</sup>Statutes of Canada, loc. cit.





it had already been empowered to issue. This new issue was for the purpose of

satisfying or acquiring obligations which the Company has entered into in respect of the acquisition, construction, completion, or equipment of the Calgary and Edmonton Railway, . . . provided that the amount of stock to be issued in respect of that railway shall at no time exceed twenty thousand dollars per mile thereof.<sup>1</sup>

Presumably it was for the latter of these purposes, that is for the equipment of the Calgary and Edmonton Railway, that the proceeds of the issue of Canadian Pacific Railway stock were utilized pursuant to an agreement by which the latter Company leased and operated the line.

The association of the Calgary and Edmonton Railway, chartered to build into a sparsely settled country, with the famous and reputable Canadian Pacific Railway would, of course, add considerably to the saleability of any Calgary and Edmonton Company bonds offered on the market. In the case of the Qu'Appelle Company,<sup>2</sup> promoted and financed by the same interests as the Calgary and Edmonton Company, there is evidence that not only was the promised Canadian Pacific backing pumped for everything it was worth in the sale of bonds, but that too much was promised on be-

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<sup>1</sup>Ibid., 54-55 Vic., Cap. 71, assented to 10th July, 1891.

<sup>2</sup>For purposes of brevity, the Qu'Appelle, Long Lake and Saskatchewan Railway Company will henceforth be referred to as the Qu'Appelle Company in this thesis.





half of the Canadian Pacific Railway Company. There can hardly be any question that the Canadian Pacific name in association with the Calgary and Edmonton venture played a significant role in the sale of the latter's bonds on the English market.

Authorization for an additional bond issue by the Calgary and Edmonton Railway Company was granted by the Dominion Parliament in 1898 at the rate of \$18,000 per mile for construction and operation of a line from the southern terminus at Macleod to the railway then in course of construction from Lethbridge to Nelson, known as the Crow's Nest Line. The railway extension, property acquired, and bonds or debentures issued on the security of the railway or property were to be free from the current lien on the existing bonded debt of the Company.<sup>1</sup>

In 1903, Parliament again empowered the Company to issue bonds to the amount of £1,121,700, which was to become a first charge upon the Calgary and Edmonton Railway line between the northern terminus near Edmonton and the southern terminus near Macleod. These bonds were to be used to redeem existing bonds or other obligations of the Company. The same act authorized the issue of bonds, de-

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<sup>1</sup>Statutes of Canada, 61 Vic., Cap. 57, assented to 13th June, 1898.





benture stock or other securities at the rate of \$20,000 per mile of branches extending eastward from Wetaskwin 100 miles, eastward from Lacombe 100 miles, and northward from Strathcona to Edmonton, not more than three miles.<sup>1</sup>

Bitter debate later raged in the House of Commons over the financing of the Calgary and Edmonton Railway and of its sister road, the Qu'Appelle Railway. Irreconcilable

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<sup>1</sup>Ibid., 3 Edw. VII, Cap. 89, assented to 25th June, 1903. Acts of Parliament respecting the Calgary and Edmonton Railway Company subsequent to the C.P.R. "takeover" in 1903 were as follows: 1905--The Company was authorized to issue bonds to an amount not exceeding \$1,000,000 in aid of construction of the branch line from Strathcona to Edmonton including the bridge over the North Saskatchewan River and the approaches to the bridge. These "bridge bonds" were to be a "first preferential claim" upon the bridge and its approaches and were to be in lieu of the issue of securities authorized for the branch line from Strathcona to Edmonton in the 1903 act. Permission was given to include in the mortgage deed a provision that all tolls and revenues from the use of the bridge and the branch line be specially pledged as security for the bonds and interest thereon. In addition, in 1908 the Dominion Government granted to the C.P.R. (lessees of the C. & E. Railway) a subsidy towards the construction of the bridge amounting to fifteen per cent of the amount spent on the bridge, not to exceed \$100,000. In return for the subsidy, the Company were to transport government men, mail, supplies, and materials over the branch line and the bridge. (For the relevant legislation, see Statutes of Canada, 4-5 Edw. VII, Cap. 66, assented to 16th May, 1905; 7-8 Edw. VII, Cap. 63, assented to 20th July, 1908; and 2 Geo. V, Cap. 48, 1912. In the latter statute the maximum government aid for construction of the bridge was raised to \$126,000.) 1910--\$20,000 per mile for the approximately 200-mile extension of the Lacombe branch to a junction with the C.P.R. Moose Jaw branch at Outlook. (Ibid., 9-10 Edw. VII, Cap. 76, ass. to 17th Mar., 1910.) 1914--up to \$25,000 per mile for the branch line





positions were taken by the antagonists, primarily E.B. Osler, the Conservative Member of Parliament for Toronto West, and various members from the West, mainly Messrs. Davis, Scott, and Oliver. Osler, well known as a successful financier of wide ranging interests, naturally bore the brunt of the charges made by the Western members concerning the financial operations of the companies with which he was associated.

Statements similar in content to the following were made on several occasions by Osler:

The financing of these two roads, they should hold . . . up as an example, and as an absolute contrast to any other road that has been built in the North-West as a branch or a small concern. . . . These two roads were built for honest cash put into them. . . . absolutely straightforward and honorable.<sup>1</sup>

In the opposite vein were these characteristic remarks of Mr. Scott:

There have been many remarkable railway transactions perpetrated in this country, but I will venture to make the statement, and I make it advisedly, that in the whole history of railway legislation and railway transactions in the Dominion of Canada, there cannot be found a transaction so atrocious and so inexcusable as those two transactions in connection with the Prince Albert and Regina and Calgary and Edmonton Railways.<sup>2</sup>

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extending westerly from a point on the Macleod extension and for accompanying projections. (Ibid., 4-5 Geo. V, Cap. 74, assented to 27th May, 1914.)

<sup>1</sup>Debates of the House of Commons, 9th Parl., 3rd Sess., 3 Edw. VII, 1903, p. 10499.

<sup>2</sup>Ibid., 4th Sess., 4 Edw. VII, p. 2367.





As a result, stated Scott,

these two railway transactions have done more to damage the credit of Canada on the money markets of the old country than any other railway transaction that can be mentioned.<sup>1</sup>

Acrimonious debate revolved about the charge that the government land subsidy and the proceeds from the sale of bonds had been used not only in aid of railway construction but also substantially to enhance private fortunes at the expense of the Canadian taxpayer, and especially those settlers dependent upon the Calgary and Edmonton Railway. Public subsidies had been used, it was claimed, not to keep permanent indebtedness down, as they were intended to be used, but rather as security for increasing the bonded indebtedness far beyond the actual cost of construction. The heavy interest charges resulting had to be borne by the traffic on the railway, thus keeping freight rates up. Osler, either by direct accusation or by implication, was cast in the role of the culprit in the whole deal.

The crux of the argument against Osler and his associates in the Calgary and Edmonton Railway project was laid down in certain figures frequently quoted in Parlia-

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<sup>1</sup>Ibid., p. 2763.





ment by their critics:<sup>1</sup>

Calgary and Edmonton  
paid up stock..... \$1,000,000

Calgary and Edmonton  
bonds sold..... 5,474,513

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Total stocks/bonds..... \$6,474,513

Annual cash subsidy:  
20 years at \$80,000  
Total cash subsidy..... 1,600,000

Value of land grant:  
1,880,000 ac. at \$3..... 5,664,000

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Total gov't. aid..... \$7,264,000

Total financial resources avail-  
able for construction of Calgary  
and Edmonton Railway.....\$13,738,513

Total cost of railway (based on  
figures in Report of Dep't. of  
Railways and Canals..... \$3,743,562

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Balance..... \$9,994,951

This amount, according to Scott, represented the "total  
swag on this road."<sup>2</sup>

A similar accounting was given of the financing of  
the Qu'Appelle Railway, showing a figure of \$6,308,940 in  
financial resources available in excess of actual cost.

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<sup>1</sup>Ibid., 3rd Sess., 3 Edw. VII, 1903.

<sup>2</sup>Idem



Combining the figures for the two companies, there was left a "little rake-off amounting to sixteen and a half million dollars" in the words of Scott.<sup>1</sup>

On the basis of this, or similar, reckoning, Osler's antagonists, who were indignant over the apparent discrepancy between the cost of the railways and the resources available as well as over the bad condition of the lines and inadequacies in the service, asked certain blunt questions and made particular accusations. Similar questions and accusations were put forth in the editorial pages of the Edmonton Bulletin and several other newspapers in the West.

To the charge that he and his associates had been guilty of profiteering in their railway enterprises, Osler strenuously objected. He frequently took pains to make the point that several earlier companies or individuals had considered the government request to take up the contract and to arrange financing for either of the two roads but had in every case either turned down the offer or failed to find the necessary financial backing and had been forced to give it up.

In the case of the line from Calgary to Edmonton,

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<sup>1</sup>Ibid., 4th Sess., 4 Edw. VII, p. 2768.





"The charter for that railway," Osler stated, "was hawked about from one end of the continent to the other. It was submitted in England, trying to raise money to build the road, and the effort was unsuccessful."<sup>1</sup> After this failure, the government, "who were exceedingly anxious that the line to Edmonton should be constructed, as a preventive to further trouble with the Indians,"<sup>2</sup> asked James Ross, contractor for the Qu'Appelle Railway, to take up the contract and approached Mr. Osler to use his influence to arrange financial backing in England. According to Osler,

the government were so anxious that the railway should be constructed that they passed the original order in council for the subsidy, subject to the sanction of Parliament before such sanction was obtained, and it was upon this order that the financial arrangements in England were commenced.<sup>3</sup>

Osler insisted all along that neither he nor any of the "promoters" made any money on the Calgary and Edmonton Railway project or on the Qu'Appelle venture. Every dollar of what was raised by way of the government subsidy in cash, sale of the government land subsidy, and sale of bonds was spent on the road. "These two roads were built for honest cash put into them," he maintained.<sup>4</sup> There had been no

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<sup>1</sup>Ibid., 3rd Sess., 3 Edw. VII, 1903.

<sup>2</sup>Idem

<sup>3</sup>Idem

<sup>4</sup>Ibid., p. 10499.





"rake-off." He himself was poorer, he said, for his association with the two roads. He had had to take almost \$200,000 in Calgary and Edmonton bonds at par, bonds which were worth under \$140,000 in 1897. His firm, Osler, Hammond and Nanton of Winnipeg, had received less than half of the normal business commission for its efforts as agents,<sup>1</sup> and that mainly in land.<sup>2</sup> He stated that only the contractor, James Ross, had made a profit out of the Calgary and Edmonton Railway.

Osler held that he had taken on responsibility for the Calgary and Edmonton Railway, as well as for the Qu'Appelle Railway, merely in the ordinary course of business, that he had done so at the request of the government--after others had failed--who asked him to use his influence with financial people in England to interest them in backing the road. He had had no interest, direct or indirect, in the charter originally, he said.<sup>3</sup> He had not been one of the original incorporators nor had he promoted the road. He had allowed his name to stand in the act of incorpora-

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<sup>1</sup>Ibid., p. 10498.

<sup>2</sup>Ibid., 4th Sess., 4 Edw. VII, 1904.

<sup>3</sup>"I had no connection directly or indirectly with promoting the company or obtaining the charter." Idem.



tion "at the request of the incorporators--practically at the request of the Government of the day."<sup>1</sup>

The unedifying hassle as to whether Osler was or was not an incorporator or promoter of the Calgary and Edmonton Railway continued because, it appears, neither party to the quarrel was willing to clarify his position in the light of what the other party was saying. Clearly, Osler's name appears in the act of incorporation as a member of the Board of Directors. Whether his role in arranging financial backing for the railway and his other activities in behalf of the Company qualify him as a "promoter" of the railway is a matter of definition. Technically, it would seem that he was more "agent" than promoter. It is true that Osler was not associated with the project for an Edmonton-Calgary railway originally; his association with it dated back to about the time of the incorporation of the Calgary and Edmonton Railway Company in the spring of 1890.

In addition to general protestations of the honesty of his and of his associates' dealings on behalf of the Calgary and Edmonton Railway Company and its sister company in Saskatchewan, Osler undertook to give an account of the disposal of the financial resources available to the Company. On numerous occasions in the House of Commons, he

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<sup>1</sup>Idem





repeated that approximately \$5,500,000 was raised in cash by the sale of "the land and the bonds."<sup>1</sup> By the "land," Osler meant that part of the land grant remaining after the government retained one-third as security for the Company's fulfillment of its contract with the government and, apparently, after certain other relatively small assignments of land had been made. All of this money, Osler flatly states, was put into the cost of the road: "The whole of the money which I have mentioned as having been raised was put into these two roads."<sup>2</sup> According to official figures reported to the government, the Calgary and Edmonton Railway cost about \$3,750,000 to construct. There remains a balance of about \$1,759,000 which, according to Osler, was deposited with trustees as a guarantee for the payment of six years of interest on the bonds at six per cent per annum.<sup>3</sup> As Osler put it, "I explained that the land was sold with the bonds to a syndicate, which is a very common way of doing these transactions, and that the whole money realized

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<sup>1</sup>Ibid., 3rd Sess., 3rd Sess., 3 Edw. VII, 1903.

<sup>2</sup>Ibid., p. 10454.

<sup>3</sup>Cost of six years of interest on \$5,474,513 at six per cent per annum compounded annually would amount to \$2,292,248. The figure of \$1,970,820 quoted in Parliament by Osler's opponents covers simple interest charges.





was expended on the construction of the road and in payment of the interest."<sup>1</sup> Herein lies one of the sources of misunderstanding, it appears, between Osler and his opponents. They understand by "cost of the road," the actual cost of construction; he means by the same phrase, the cost of construction plus the cost of six years of interest on the bonds. Osler's critics, including the Edmonton Bulletin, are unjustified in persistently failing to include interest charges as part of the cost of the road.

Osler's position at this point is, nevertheless, vulnerable inasmuch as the official figures filed with the government show a bonded indebtedness on the Calgary and Edmonton Company of \$5,474,513.<sup>2</sup> Clearly, then, the figure of about \$5,500,000 represents the amount of proceeds accruing to the Company from the sale of bonds only, not from the sale of bonds and land grant, as Osler held.<sup>3</sup> In the minds of his critics, the question arose: What, then, became of the land grant? On this matter, the indignation of

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<sup>1</sup>Statutes of Canada, ibid., p. 14588. Underlining mine.

<sup>2</sup>Sessional Papers, 1903.

<sup>3</sup>The assumption here is that all of the bonds were sold at par. This is always the clear implication, and there is no evidence for believing that they were not. Osler himself admits buying Calgary and Edmonton bonds at par.



Members of Parliament from the North-West rose to a high pitch. They estimated the value of the grant of 1,880,000 acres at anywhere from \$3,500,000 to \$5,500,000. Osler pointed out that not all of the land grant was available to the Company--over 400,000 acres had been kept back by the government as security for the Company's fulfillment of its transportation contract with the government. Furthermore, Osler insisted, the land should not be evaluated in terms of its later accrued value, but rather for its actual selling value at the time of the grant.

At any rate, Osler himself stated that the land had been sold at the nominal price of one dollar per acre to the "syndicate," Morton, Rose and Company, who had agreed to issue bonds for the Calgary and Edmonton Railway. "Most of the land grant," he said, "was sold to realize \$1,436,000 required to pay interest on the bonds for 6 years."<sup>1</sup> Osler later made the statement: "Five million, five hundred thousand dollars were raised in cash by the sale of the land and of the bonds."<sup>2</sup> If both of the statements were correct, it follows that the net pro-

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<sup>1</sup>Debates of the House of Commons, 8th Parl., 61-62 Vic., 1898, p. 726.

<sup>2</sup>Ibid., 9th Parl., 3rd Sess., 3 Edw. VII, 1903, p. 10498.





ceeds from the sale of bonds totalled only about \$4,000,000, and the \$1,436,000 netted from the sale of the land would then bring the total proceeds to approximately \$5,500,000. This reconciliation of Osler's statements, however, is unacceptable since the evidence is against the sale of bonds at less than par. A reading of the available record leaves the writer with the strong impression that Osler was less than frank in his explanations of the disposal of the land grant. It is difficult to avoid sharing the Bulletin's suspicion that the bulk of the grant was, in effect, transferred "gratis" to a land company formed for the purpose of exploiting the grant.

There is yet to be considered the annual government grant of \$80,000 in cash. Legislation governing the cash subsidy contained a clause permitting the Company to "assign the same by way of security for any bonds or securities which may be issued by the Company."<sup>1</sup> Accordingly, the \$80,000 a year, as Osler stated, did not go to the promoters but was assigned to the bondholders. Indeed, after the funds originally deposited for interest payments had been exhausted, all that was available for payment of

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<sup>1</sup>Statutes of Canada, 53 Vic., Cap. 5, assented to 16th May, 1890.





interest was this government subsidy which, incidentally, averaged out to about two per cent annually on the total investment in bonds.<sup>1</sup>

Nothing has been said about the disposal of the capital stock of the Calgary and Edmonton Railway Company. In the reckoning of Osler's critics, the amount of the capital stock, \$1,000,000, was included among the financial resources available to the Company. This assumption by the Bulletin and certain Members of Parliament seemed justified inasmuch as annual reports of the Department of Railways and Canals showed that the \$1,000,000 in capital stock authorized by legislation was also subscribed and paid up.<sup>2</sup> What did "paid up" mean in this context?

When questioned on the same point with regard to the Qu'Appelle Company, Osler stated that the capital stock was not paid in cash. "Capital stock in those days and today is seldom put in cash."<sup>3</sup> Concerning the stock of the Calgary and Edmonton Company, he also stated that it was not all paid in cash originally.<sup>4</sup> On a later occasion,

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<sup>1</sup>Debates of the House of Commons, 9th Parl., 3rd Sess., 3 Edw. VII, 1903, p. 10502.

<sup>2</sup>Sessional Papers, loc. cit.

<sup>3</sup>Debates of the House of Commons, loc. cit.

<sup>4</sup>Ibid., 9th Parl., 4th Sess., 4 Edw. VII, 1904, pp. 2853-4.



he declared, "The stock of the Calgary and Edmonton Railway Company, if I recollect rightly, was issued to the contractors as part of the consideration for carrying out the contract."<sup>1</sup> Such expenditure, however, must surely form a part of the cost of construction (\$3,750,000 by official figures), and payment by assignment of capital stock should mean that much less call on other available funds. The statement, therefore, was not at all a satisfactory answer to the critics and served to reinforce their suspicion of a "rake-off" by promoters."

Although his memory is strangely vague and his statement productive of other unanswered questions,<sup>2</sup> Osler's explanation is plausible. If the contractors, Ross, Mann, McKenzie, and Holt, held the stock, it may well be that there was no actual cash involved. Two of these men, it is well known, later perfected a system of building and owning thousands of miles of railway without investing any of their own money, simply issuing all the

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<sup>1</sup>Ibid., p. 2854.

<sup>2</sup>Was all of the stock issued to the contractors? Did they receive it "gratis"--or practically such? Did all the contractors participate in the issue, and if so, was it equal participation? On Aug. 5, 1901, the Edmonton Bulletin wrote: "Another important piece of news is that the Calgary and Edmonton road is owned by James Ross."





capital stock to themselves. In 1898 Osler stated, when asked the question whether the stock of the Calgary and Edmonton Railway Company was issued as "water," that if it were it would be worth the same at that time, thereby evading the question.<sup>1</sup> The Canadian Pacific Railway in 1903, however, agreed to pay \$500,000 for the capital stock--presumably to the above-named contractors or to Ross alone. Again, the Bulletin's suspicions, not unreasonable, with respect to the capital stock were not allayed by Osler's defence of the Calgary and Edmonton Railway Company.

"Over-bonding" of the Calgary and Edmonton Railway drew down the ire of Members of Parliament and of the western press, especially the Edmonton Bulletin. After making a comparison of Canadian with American railway experience, James Hedges concluded that the Canadian Pacific Railway had kept its bonded indebtedness very low by contrast with the "enormous bonded indebtedness which had characterized most railways on the continent."<sup>2</sup> Hedges' opinion of the smaller colonization railways in Canada, such as the Calgary and Edmonton Railway, however, was much less favor-

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<sup>1</sup>Debates of the House of Commons, loc. cit.

<sup>2</sup>James B. Hedges, The Federal Railway Land Subsidy Policy of Canada (Cambridge: Harvard University Press, 1934), p. 34.





able. The editor of the Edmonton Bulletin was less discriminating in his judgments and threw the net over the Canadian Pacific Railway as well as over the smaller roads as, for example, when he wrote of "the robbery that has been perpetrated in connection with the Canadian Pacific Railway and the Calgary and Edmonton and almost all other western railways by over-bonding."<sup>1</sup>

What the editor meant by such terminology as "the swindle that has been worked on the public" was that whereas the railway cost about \$3,700,000, it was bonded at \$5,500,000, that is \$1,800,000 more than the actual cost of construction to the Company--and this in spite of the fact that it was endowed with generous government subsidies for the very purpose of relieving the Company of incurring a heavy burden of debt.<sup>2</sup> It was claimed that railways such as the Calgary and Edmonton were being bonded "for the largest amounts that could be raised for them irrespective of their actual cost," and that interest was being paid on the "last cent that the roads could be bonded for."<sup>3</sup>

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<sup>1</sup>Edmonton Bulletin, Jan. 4, 1897.

<sup>2</sup>Ibid., Jan. 14, 1891.

<sup>3</sup>Ibid., Jan. 17, 1897.



Several injurious effects of this "over-bonding" were cited by the Bulletin. It resulted in users of the road having, in effect, to pay interest on almost \$2,000,000 of bonds which were not matched by any real value in the road. The reasoning behind this complaint was that excessive and unnecessary bonding had loaded the railway down with too heavy a burden of interest payments. Most of the annual interest payment would have to come out of profits on current operations. The necessary result was that freight rates had to be kept high. Instead of the traffic returns having to provide sufficient profits to pay interest on only \$3,700,000 of bonds (minus the amount of bonds on which interest payments were covered by the \$80,000 annual subsidy), it had to provide enough to meet payments on \$5,500,000 worth (minus the same amount).<sup>1</sup> Thus, wrote the editor, "The great difficulty we have, or shall have in dealing with the question of rates on our railroad system is the fact that the railroads of the country have

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<sup>1</sup>\$80,000 annually would pay interest at six per cent on \$1,333,333 of bonds. Thus, according to Oliver, the Calgary and Edmonton traffic was being expected to bear the interest burden on \$4,167,000 rather than on only \$1,667,000. This would mean the difference between expecting to take about \$250,000 out of profits annually for interest payments rather than about \$100,000.





been permitted to be overloaded with indebtedness."<sup>1</sup>

The high freight rates resulting, at least in part, from the necessity of earning enough to pay the high interest charges tended to discourage settlers from coming in, make it unprofitable for farmers to market their surplus, and generally "hinder, if not prevent, the development of the country," claimed the Bulletin.

The fact that bondholders had paid in roughly \$2,000,000 more than the cost of the road, and that earnings on the road were not enough to pay the high amounts of interest on their bonds after the six-year period of guaranteed payments had passed, depressed the value of the bonds, argued the Bulletin. In point of fact, by 1901 \$500,000 of unpaid interest had accumulated against the Company. Osler admitted that the bondholders were the real sufferers.

It was further charged by the Bulletin that the drop in the value of the bonds, due to "over-bonding," had injured the value generally of Canadian railway securities on the London market and would make it more difficult to gain financial support for future much-needed railway facilities in the North-West.

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<sup>1</sup>Edmonton Bulletin, Jan. 14, 1901.





These unfortunate effects of "over-bonding," as the Bulletin contended, turned the attention of Western spokesmen to corrective possibilities. An instinctive Canadian reaction, somewhat in contrast to the American pioneer tradition, was to look to government construction. This had long been a live issue in Canadian railway experience, but at that time (around 1900), according to the Bulletin editor, it was not acceptable to many people and, therefore, had to be ruled out.

Even without government ownership of the railways, however, it would be possible to control freight rates. This was one of the undying issues occupying much space in the pages of the Edmonton Bulletin in the 1890's. When such control was achieved in connection with the Crowsnest Line, it was hailed as a victory by many in the West.

The limitation of bonding powers to actual cost of construction--minus government bonuses--was advocated. It was argued that bonding power should not be based upon earning power, projected or actual, as had been the practice, but upon cost.

Each of these solutions would have required government action, which indicates a recognition of the close relationship between the government and the developing re-



gions in Canada.

With respect to the Bulletin's charge that the Calgary and Edmonton Railway was "over-bonded," and that it was due primarily to this that certain harmful effects followed, one must recognize the tendency to take too restricted a view, to see issues almost wholly from the point of view of local or regional development, failing to realize that the prosperity of the railways was essential to the economic health of Canada and the West. Too much was expected of the railways; too much blame was loaded upon them. Other factors--economic, political, geographical, even psychological--over which railways had no control were responsible for some of the disappointments complained of in the Edmonton Bulletin.

Attention must be paid also to the prevailing attitude in Canada and especially in the West toward railways, particularly toward the Canadian Pacific Railway or anything associated with it. That attitude was, of course, ambivalent. Railways were needed and wanted, but the price paid in terms of subsidies and powers given to the railway was often resented. Railways were wanted as "servants," not as "masters." Even in its early years, the Canadian Pacific Railway had been held up by the whole opposition





press as "a frightful monster which would devour Canada's resources and enslave its people."<sup>1</sup> The Edmonton Bulletin is to be included on this point in the "opposition press," and its attitude to the Canadian Pacific Railway rubbed off later, it may be assumed, on the Calgary and Edmonton Railway--from the beginning supposed by all to be in close relationship with the "octopus," as critics were accustomed to naming the Canadian Pacific.

Any conclusion concerning the charge of "over-bonding" must depend, too, on the criteria by which the judgment is made. The bonded indebtedness of the Calgary and Edmonton Company, for example, amounted to about \$18,500 per mile of railway. This figure is not out of line with that shown by other companies of the time. The Bulletin's argument was, of course, that all the railroads had been "over-bonded." It must be kept in mind that the act of incorporation authorized the issue of bonds by the Calgary and Edmonton Company up to \$25,000 per mile of railway constructed. The Company's bonded indebtedness was \$6,500 below the maximum amount legally permitted.

On the other hand, it is difficult to disagree with the conclusion of critics such as the Bulletin that

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<sup>1</sup>Creighton, op. cit., p. 344.





had the land grant been used as intended--in aid of construction and operation of the railway--instead of being handed over to a land company for exploitation for profit which never helped to build or maintain the railway, the bonded indebtedness could have been kept down considerably, perhaps by \$1,000,000. Whatever cash might have been made available for construction costs or for interest payments from "paid up" capital stock would have allowed proportionately further reductions in the amount of indebtedness required. If the land grant was sold for about \$1,400,000, as Osler says it was, and these proceeds used in construction of the railway, then it should have been possible to limit bonding to about \$3,000,000 and still have provided the required guarantee of six years of interest payments. At this point, J.B. Hedges strikes hard at colonization railways such as the Calgary and Edmonton Railway.

E.B. Osler's position was vulnerable in that for several years he was at the same time a Conservative Member of Parliament during a Conservative administration and in close association with more than one company which had been the recipient of government grants, thus occupying roles in which public duty and private interest might well be in conflict. One can't help speculating, however, to



what extent the vigorous attack on Osler and his companies' dealings was motivated by political partisanship--an attempt to discredit his party.

The Edmonton Bulletin's highly critical and hostile attitude toward the Calgary and Edmonton Railway Company was due to a large extent to the controversy which raged about the Company's financial affairs, more particularly its disposal of government aid and the effects resulting therefrom.





## V

### CONSTRUCTION

No phase of the early history of the Calgary and Edmonton Railway stands in such a favorable light as its construction. Chester Martin comments: "It was built with almost phenomenal regularity and despatch within the space of sixteen months from the date of the land grant."<sup>1</sup>

Reckoning from June 21, 1890, the date when the contract was made with the government and construction deadlines were agreed to, the Calgary and Edmonton Company were to be allowed sixteen months to reach the Red Deer River and forty-one months to arrive at the North Saskatchewan River in the north and at the Old Man River in the south. The Company actually took only six months to get to the Red Deer River, thirteen months to the North Saskatchewan, and twenty-nine months to the Old Man River.

Particularly impressive is this construction achievement when placed in contrast with that of most other western colonization railways. Martin again remarks: "The speedy

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<sup>1</sup>Morton and Martin, op. cit., p. 323.





and methodical construction of the Calgary and Edmonton Railway thus stands in conspicuous contrast to the sluggishness or sheer desuetude of other lines."<sup>1</sup>

One other such line was the Manitoba and Northwestern Railway which was chartered by the Manitoba Government in 1879 under the name of the Westbourne and Northwestern Railway. In 1882, it was given a Dominion charter with authority to construct a line 430 miles in length from Portage la Prairie to Prince Albert. The rate of construction was prescribed by statute--fifty miles a year--but altogether seventeen acts needed to be passed between the years 1886 and 1928, reducing the rate to twenty miles annually or extending time for construction or suspending operations altogether. Eventually, 225 miles were completed.

The Manitoba and Southeastern Railway, chartered in 1889 to build from Winnipeg to Lake of the Woods, took ten years to complete its line. The Lake Manitoba Railway and Canal Company was incorporated in 1889 also and was chartered to build 125 miles from Portage la Prairie to Lake Winnipegosis. The Company was purchased by William Mackenzie and Donald Mann in 1895, reorganized, and final-

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<sup>1</sup>Ibid., p. 289.



ly went into operation in 1897. The ambitious Great Northwest Central Railway was chartered to build a line from Brandon to Battleford but completed only fifty miles.<sup>1</sup>

Much of the credit for the despatch with which the railway was completed belongs to the contracting firm of Messrs. Ross, Holt, Mann, and Mackenzie. The notable partnership of Mackenzie and Mann had been formed in 1886 and had held contracts for the Canadian Pacific short line through Maine, and for the Qu'Appelle railway, as well as for the Calgary and Edmonton line and many minor railways. Not many years later, in 1895, Mackenzie and Mann decided to buy up some charters of projected railways in the West then going begging and to go ahead and build on their own account. The speed of construction for which they gained a reputation was foreshadowed in the case of the Calgary and Edmonton railway. Ross, Holt, Mann, and Mackenzie had in 1889 just completed in a similarly expeditious manner the Qu'Appelle railway which earlier had run into financial trouble after twenty-five miles had been built north of Regina.<sup>2</sup>

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<sup>1</sup>For the best discussions of the colonization railways, see the cited works of Hedges and Morton and Martin.

<sup>2</sup>O.D. Skelton, The Railway Builders, A Chronicle of Overland Highways (Toronto: Glasgow, Brook and Co., 1916), p. 283f.





Among the contractors, James Ross was in charge of financing, Holt was general superintendent of construction, Mann of the grading work and Mackenzie of the timber supply.<sup>1</sup> The business of the firm was transacted in the name of Ross who was then most prominent among the contractors. According to the Edmonton Bulletin, "What the arrangement [was] between this firm and the [railway company] no one outside of the principals knows, but the general impression is that . . . the construction firm are making a good thing out of the contract."<sup>2</sup> Later in Parliament, Osler contended that the only ones who made money on the project were the contractors.

It was after the failure of earlier charters to amount to anything that the government, anxious for the building of the Calgary-Edmonton line, asked Mr. Ross to take up the contract. This is the testimony of Prime Minister Macdonald, Osler, and Nicol Kingsmill, solicitor of the Calgary and Edmonton Railway Company. After looking into the project, Ross decided to build the road for the price of \$10,000 a mile, the same figure previously turned down by other contractors. Having received assurance

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<sup>1</sup>Edmonton Bulletin, July 18, 1891.

<sup>2</sup>Idem





of the government subsidies, Ross accompanied Osler to England to arrange for the necessary financial support.

What amount the contractors received in cash payments for fulfilling the contract is not clear. According to Osler, Ross received at least a portion of the land grant plus certain stock in the Calgary and Edmonton Company.<sup>1</sup> Figures quoted in the House of Commons from reports of the Department of the Interior show that 41,130 acres of the Calgary and Edmonton Railway land grant had been patented to Ross and 505 to assignees of Ross.<sup>2</sup> How much stock was issued to Ross is not clear--the Bulletin reported on one occasion that the railway was owned by Ross. Together with Osler, Ross had had to underwrite £50,000 to £100,000 of Calgary and Edmonton Railway bonds. Although the bonds had dropped at one point to as low as twenty-five cents on the dollar, according to Osler,<sup>3</sup> and although the stock was claimed to be practically worthless, in 1903 the Canadian Pacific Railway Company paid fifty per cent on the entire stock, and over the years following purchased the bonds at one hundred per cent.

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<sup>1</sup>Debates of the House of Commons, ibid., pp. 2853-4.

<sup>2</sup>Ibid., 3rd Sess., 3 Edw. VII, 1903.

<sup>3</sup>Ibid., p. 10488.



Throughout the building seasons of 1890 and 1891, detailed progress reports of activity on the Calgary and Edmonton Railway appear in the Edmonton Bulletin. Well before royal assent had been given to the act authorizing the subsidies, the survey of trial lines was in rapid progress under Alexander Stewart, C.E., chief of the Calgary and Edmonton Railway survey, who had already examined the route throughout.<sup>1</sup>

The biographer of Father Lacombe, incidentally, quotes William Van Horne as crediting Lacombe's knowledge of the country with reducing substantially the work left to the engineers. Van Horne wrote:

I remember well his description . . . of the country between Calgary and Edmonton when the railway there was contemplated. This description left no exploratory work for the engineers to do--they knew just where the line should be laid.<sup>2</sup>

Within two months, by July 8th, grading was begun by an outfit from Winnipeg<sup>3</sup> consisting of 150 men and 60

<sup>1</sup>Edmonton Bulletin, May 3, 10, 1890.

<sup>2</sup>Letter from Sir William Van Horne to K. Hughes, Mar. 9, 1910, cited by K. Hughes, op. cit., p. 349 n.

<sup>3</sup>This was George H. Strevel's outfit consisting of 3 colonist cars; about 120 men; 11 cars of stock (horses and mules); 8 cars of implements (including scrapers, plows, carts, etc.); 4 cars of oats for James Ross; a quantity of mixed freight, principally grub; and a camp outfit. W.H. Kenaston was on hand with 300 loaves of bread when the





teams. Plows and graders were being used rather than grading machines. A week later it was reported that 300 men and 150 teams were at work. Later an official stated that there would be 1,000 men at work inside a few weeks. Teams were being hired at \$2.50 a day plus board for both man and team or \$4.00 a day without board. One company alone was reported to have offered to put on 100 teams. Many Italians were being employed as laborers.<sup>1</sup>

July 21st was a "gala day for Calgary" on the occasion of the sod-turning for the Calgary and Edmonton Railway at its junction with the Canadian Pacific Railway in East Calgary.<sup>2</sup> Mayor Lafferty proclaimed a public holiday from 12 o'clock noon and requested all businesses to close. Elaborate preparations culminated in a procession of 150 carriages accompanied by police, fire brigade,

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train arrived in Calgary and the whole crowd breakfasted and dined at the "Grand Central." After unloading at the stockyards, they left that afternoon, crossed the Elbow bridge and Langevin bridge, and moved to Nose Creek, five miles above its mouth, where grading commenced the next day. Strevel had secured a contract for 100 miles of the railway, according to the report in the Calgary Herald, July 11, 1890. Strevel must have been sub-contracting from the firm of Ross and his associates.

<sup>1</sup>Edmonton Bulletin, May 3, 10, July 19, 26, Aug. 2, 1890.

<sup>2</sup>P. Turner Bone, C.E., When the Steel Went Through (Toronto: The Macmillan Co. of Canada, 1947), p. 159.





brass band, and bagpipes; a "grand open air dinner" served to 1500 people from two 100-foot counters; speeches lasting into the evening; and sod-turning by the Minister of the Interior who used a gilded spade. A well-known Calgary restaurateur had roasted a 1,475-pound three-year old Shorthorn which was suspended from a derrick for 24 hours over a spit located in an excavation for a Hudson's Bay Company building.<sup>1</sup>

Included in the speech-making were the Minister of the Interior, Hon. Edgar Dewdney; Mayor Lafferty of Calgary; James Ross, the contractor; Nicol Kingsmill, Calgary and Edmonton Company solicitor, who had handled negotiations with the government; John Niblock, divisional superintendent of the Canadian Pacific Railway Company at Montreal; D.W. Davis, Member of Parliament; Dr. Brett, M.L.A. for Red Deer; Thomas Tweed, M.L.A. for Medicine Hat; Rev. Leo Gaetz, pioneer settler of Red Deer; and Major James Walker, a pioneer of the land.

Gaetz, the Red Deer country's greatest booster and owner of considerable property through which the Calgary and Edmonton Railway subsequently ran,

made an eloquent oration in which he presented a glow-

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<sup>1</sup>See Edmonton Bulletin, Aug. 2, 1890; Calgary Herald, July 17, 18, 19, 22, 1890.



ing picture of the prosperity which was bound to follow the completion of the connecting link to the north. In this, he but voiced the mind of the assembled crowd; for all had visions of untold wealth to come through the building of the railway.<sup>1</sup>

P. Turner Bone, whose party surveyed the line from Calgary to Red Deer, the more difficult portion of the route, found the speech of James Ross worth referring to in an amusing vein in his book of reminiscences:

Public speaking was not his strong point. He lacks a good carrying voice; and the only words I could catch were: "Land Grant."<sup>2</sup>

Long after the great day, the Calgary Herald was advertising souvenirs of the celebrations, "instantaneous views of the whole proceedings in one, Roasting the Ox, The Procession, Turning the First Sod, etc. All for One Dollar."<sup>3</sup>

Thus did the town observe the day of sod-turning on the Calgary and Edmonton Railway, an event described by the Herald as "a milestone in the forward march of Calgary."<sup>4</sup>

By the first of August, it was reported that "dirt was flying at a great rate on the Calgary and Edmonton

<sup>1</sup>Bone, op. cit., p. 159.

<sup>2</sup>Idem

<sup>3</sup>Calgary Herald, Sept. 24, 1890.

<sup>4</sup>Ibid., July 19, 1890.





grade"<sup>1</sup> with a thousand men expected to be at work shortly. A party made up of Ross and Mann and the engineer for the Canadian Pacific Railway were in the south selecting a crossing over the Old Man River.

The route of the Calgary and Edmonton Railway at times adhered to, at times diverged from, the old wagon road north. For nearly all of the thirty miles north of Calgary it closely followed the trail, then bent to the west and at "Scarlett's coulee" was about five miles west of the trail. The Red Deer crossing was located on the property of the above-mentioned Leo Gaetz about three miles below the established ford, ferry, and village.<sup>2</sup> North from Red Deer River to the Battle River, the line followed the trail closely.<sup>3</sup>

In the first week of September, it was reported that the railway was "booming right along."<sup>4</sup> A twenty-car outfit from the Qu'Appelle road arrived in Calgary and crossed the Bow River by means of a temporary pile bridge.<sup>5</sup> During late August, the permanent bridge over

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<sup>1</sup>Edmonton Bulletin, loc. cit.

<sup>2</sup>Ibid., Aug. 9, 1890. The same edition reported that the Gaetz family "are said to have given the railway company a half interest in a block of 1,200 acres as an inducement to select the crossing at the point mentioned."

<sup>3</sup>Ibid., Sept. 13, 1890.      <sup>4</sup>Ibid., Sept. 6, 1890.

<sup>5</sup>Bone, op. cit., p. 161.





the Bow River, a truss bridge of two 150-foot spans, had been commenced. Rails had begun to arrive and tracklayers were being hired in Calgary at \$1.75 a day and spikers at \$2.00 per day. Laborers and graders were getting \$1.50 a day. Board was \$4.00 a week. At that rate, net pay for spikers would be about \$32.00 a month; for graders about \$20.00 monthly. Teamsters were getting \$25.00 a month plus board. By the third week in September, forty miles of the road were ready for track and tracklaying was proceeding at the rate of two miles a day. October 5th saw rails laid to twenty miles north of Calgary. All the outfits from the Qu'Appelle Railway were at work on the Calgary and Edmonton Railway and men and teams were being hired as "fast as they could be procured."<sup>1</sup>

The beginning of October found the surveyors in Edmonton, camped on the south side and running lines down Mill Creek and across the river to a point below the Hudson's Bay Company fort.<sup>2</sup> Such activity in and near Edmonton was bringing closer to reality the long frustrated hopes of that settlement for railway service and served

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<sup>1</sup>Edmonton Bulletin, June 6, Sept. 20, Oct. 11, 1890.

<sup>2</sup>The fort stood just below the point where the present Legislature now stands.



to ease the underlying fear of the town's being bypassed in the location of the northern terminus. It called forth the following response from the Edmonton Bulletin:

The arrival of the railway surveyors, who notwithstanding all alleged engineering difficulties have run their lines into the very centre of the town, has added to the general feeling of confidence, which will be complete when the question of the terminus has been finally settled as it no doubt will be in a week or two at most.<sup>1</sup>

By the first of December, track had been laid down to the south bank of the Red Deer River ten months in advance of the deadline and grading had been completed many miles beyond that point. The last train of the season reached Red Deer from the south on December 4th with a load of timber for the Red Deer bridge, arriving at 8:00 P.M., six hours after leaving Calgary. On board were tie men and teams heading into the woods to take out ties along the line throughout the coming winter, some passengers, and employees of the construction company. For such a heavy train, the six hours required for the trip was considered a short time.<sup>2</sup>

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<sup>1</sup>Edmonton Bulletin, Oct. 4, 1890.

<sup>2</sup>Red Deer was the fifth station on the rail line. Every nine miles there was a siding, and at every second siding, that is every eighteen miles, there was a station and a water tank. Ibid., Dec. 14, 1890.





The inevitable effects of the building of the railway in terms of publicity, immigration, and entries for land, which were felt at least as early as the summer of 1890, fired the enthusiasm of boosters of the northern region such as Frank Oliver, who was moved to write:

The press all over the country has given us favorable notice which cannot fail of having a good effect and the pile of letters of enquiry . . . is continually increasing. . . . Taken altogether it would appear that the most sanguine expectations that were entertained regarding this district ten years ago when the C.P.R. mainline was chartered to pass this way are now in a fair way to be more than realized.<sup>1</sup>

The impact of railway construction on the local economy was felt in still another important, though temporary, way. During the time of construction, the need for men and teams, provisions for both men and teams, and for certain construction materials locally available provided work for incoming settlers, market for agricultural surpluses, a stimulus to the timber industry, and generally encouraged immigration. Many of the men brought in from the East to labour on the road were expected to become permanent settlers after completion of the work on the railway.

Contracts for the putting up of hay were let. Thomas Stewart and R.F. Shaw had a contract for putting up

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<sup>1</sup>Ibid., Oct. 4, 1890.





300 tons near Barnett's stopping place north of the Blind Man's River, and "very much more [was] contracted for by the railway company at the same point."<sup>1</sup> By comparison with the Qu'Appelle line, contractors reported that both hay and water were abundant along the Calgary and Edmonton line. Large quantities of oats were required. A substantial part of the abundant crop of 1890 in the Edmonton district was purchased by the railway company which served "to loosen up cash considerably during the dullest time of winter."<sup>2</sup> Forty cents a bushel was being paid for Manitoba oats at the end of the track.<sup>3</sup>

The contracting company were supplying beef from their own cattle range in the Porcupine Hills. In the late summer of 1890, 200 steers had been driven up to the Calgary and Edmonton line. The contractors reported, however, that they would need to buy beef in the spring. Pat Burns of packing plant fame got his start by contracting to supply beef for the Calgary and Edmonton Railway during its construction.<sup>4</sup> Large quantities of butter, at fif-

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<sup>1</sup>Ibid., Aug. 2, 1890.

<sup>2</sup>Ibid., June 28, 1891.

<sup>3</sup>Ibid., Oct. 11, 1890.

<sup>4</sup>Denny remarks: "Among later accessions to the cattle business about this time was P. Burns, who began as a contractor with the railway then being built . . . from Calgary to Edmonton." Op. cit., p. 273. From this start, he built up Canada's largest packing and live stock business.



teen cents a pound, and potatoes, at sixty cents a hundred pounds, were required.<sup>1</sup>

Reference has been made to the large numbers of men and teams employed and the tremendous quantity of ties needed. The very method of building in use exclusively on the Calgary and Edmonton line--plow and scraper--required a maximum of horses. The loss of horses along the line due to fever, furthermore, was so high as to be "nearly ruining" some contractors who had lost every horse.<sup>2</sup>

In the work of constructing the railway, a number of supervisors were employed: a chief engineer, a bridge engineer, a resident engineer overseeing actual work on the line in fifteen-mile sections, a bridge contractor, a foreman, a superintendent of wells and tanks, a trainmaster and superintendent of tracklaying, and a manager of surfacing and tracklaying.<sup>3</sup>

The Edmonton Bulletin provided an interesting description of life on a tracklaying crew in 1891.<sup>4</sup> The train consisted of two boarding cars--"huge three-story buildings on wheels"--in which the tracklaying gangs ate and slept, plus a section of flat cars laden with rails,

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<sup>1</sup>Edmonton Bulletin, Apr. 25, 1891.

<sup>2</sup>Ibid., July 11, 1891.

<sup>3</sup>Idem

<sup>4</sup>Ibid., July 25, 1891.





ties, fish plates, bolts and nuts. This "train" was shoved by an engine as near the end of the finished track as possible.<sup>1</sup>

Four separate gangs of men then went to work to "catch up to or keep ahead of each other," a tie gang, a rail gang, a bolt gang, and a spiker gang, totalling sixty to seventy-five men in all. Six teams on the "tie gang" loaded up, hauled and distributed ties along the "dump," two teams unloading on each side and two teams laying the ties in place. The tracklayers loaded a flat car with rails which was then pulled by horses by means of long ropes. Two parties on each side then seized the rails and dropped them in place on top of the ties. The rails were adjusted for width by a man using an iron measure, and the car loaded with rails was then pulled by the horses over the loose rails. Ten pairs of spikers worked closely behind, driving two pairs of spikes into each tie. Five pairs of men applied bolts and nuts to the rails which were then lined and adjusted to make ready for the final ballasting.

After a lay-off of four months over the winter of 1890-1, the first train of the season arrived in Red Deer from Calgary on April 24, 1891, carrying track, materials,

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<sup>1</sup>Idem





supplies, 100 men of the tracklaying crew and the bridge crew.<sup>1</sup> From the first of May to the fifteenth of July, 325 teams and about 650 men built the remaining 100 miles of the line from Red Deer to the end of the line at the south bank of the North Saskatchewan River opposite Edmonton.

The afternoon of Saturday, July 15th at 5:00 witnessed the end of tracklaying. The last spike was driven by Mr. D. Ross, one of the pioneers of Edmonton.<sup>2</sup> In contrast with the excitement of sod-turning in Calgary almost exactly one year earlier, there was neither ceremony nor celebration in Edmonton. It is intriguing to wonder whether the reserve of those early Edmontonians, so different from the enthusiastic festive spirit of Calgarians, foreshadowed the moods which later came to be associated with the two cities. Or had the long, weary years of waiting, anticipation, and repeated disillusionment exhausted the capacity of Edmontonians to become caught up in a general spirit of celebration? Had the railway crossed the river into Edmonton, perhaps the day would have seen more excitement. Past experience had apparently taught them to wait until promise became reality, a lesson which future

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<sup>1</sup>Ibid., Apr. 25, 1891.

<sup>2</sup>Ibid., Aug. 1, 1891.



experience would reinforce.

The first through train over the completed line of the Calgary and Edmonton Railway arrived at the northern terminus at Strathcona on Monday night, July 24, 1891 at 11:00. It had taken four hours to negotiate the forty-five mile section of the line from Peace Hills (Wetaskiwin) to Edmonton since the track was unballasted and had settled considerably in places where it passed through swampy ground. The train was loaded chiefly with lumber and other material for the station buildings and included four cars of merchandise. Of about the thirty-six passengers who boarded the train at Calgary, twenty-four got off at Poplar Grove and twelve at Strathcona.<sup>1</sup>

The second train required eleven hours for the entire trip. Three cars of coal and several of brick and lumber for railway use made up the train along with three cars of merchandise and two cabooses for twenty passengers. Mr. Holt, one of the contractors, occupied the construction company's private car.<sup>2</sup>

The impression of despatch and efficiency which the foregoing account of the construction of the railway gives reflects the Edmonton Bulletin's favorable outlook upon the

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<sup>1</sup>Ibid., Aug. 1, 1891.

<sup>2</sup>Idem





Calgary and Edmonton Railway during those early days of construction before the frustration again of unfulfilled hopes and the bitterness of controversy prevailed.

With the events just described, there came to a close the period in the history of Edmonton and northern Alberta marked by disappointment and stagnation, and there began a period of steadily increasing growth for both the town and its district as well as for the region between Calgary and Edmonton. For Edmonton, however, it was also a time of uncertainty over the future prospects of the town. This uncertainty was due to the important decision--insofar as it affected the growth of the Edmonton district--to terminate the line of railway at the top of the south bank of the North Saskatchewan River and to locate the station at that point. There the rival town of Strathcona began immediately to be built up.





## VI

### CONTROVERSY

As already suggested, the completion of the Calgary and Edmonton Railway to its northern terminus, while representing the achievement of a major and long-awaited goal, introduced several new problems which revolved about the question of the exact location of the terminus. Developments in connection with the "terminus question" affected all three of the established towns on the Calgary and Edmonton line and its southern extension, especially Edmonton and Macleod.

It was the power held by the railway company in the exercise of its right to choose the exact location of its route and terminals--within limits set by the charter--which explains why such problems could arise. This power, coupled with the understandable desire of the company to reap the maximum profit through acquiring the largest possible stake in any particular terminal site, placed established settlements, anxious for railway connection, in a vulnerable position over against the railway company. In



the very nature of the situation, the bargaining power of the company was greater than that of the citizens, and in an era when the social conscience of the corporation was undeveloped and when governments feared to restrict private initiative, public good often took second place to private gain.

The basic issue in this complex of related problems was whether the railway company would so locate its route as to pass into (or through) the existing settlements. Where the established settlement was separated from the approaching line by a river--in this case the North Saskatchewan and Old Man--, there arose the very considerable problem of getting the line extended or "completed" across the river into the settlement. Such completion necessitated the erection of a bridge--in those days an expensive undertaking in a pioneer region. This brought up the question of who would pay for the bridge: the company? the government? or the town? If financed jointly, what share of the cost should each bear?

In the case of the town being either by-passed or stranded across a river from the railway, the old settlement would be faced with a rival townsite "boomed" by the railway company for its own profit. To prevent such an





eventuality, the citizens had to be ready to "make a deal" with the company whose bargaining power dwarfed that of the people, the more so the smaller or less united the settlement. This "deal" might involve either the surrender to the company of a substantial proportion of the property of the town in return for bringing the railway into the town or a removal of the existing investment into the company townsite, mainly at the expense of the property-owners. Some such deal failing to materialize, the town, if it were to secure the connection, would be forced to look to another company for satisfaction.

Involved in the solution of each of these inter-related problems were the interests of both the company and the settlement, and drawn into the whole controversy was the government--upon whom the company depended for subsidies and for authority to extend their lines, and to whom the people looked for protection of their established interests.

This resume of problems reflects the experience of both Edmonton and Macleod, the two established centres expected to benefit most from the building of the Calgary and Edmonton line. In both cases, the working out of the eventual solution to these problems was accompanied by much disappointment, agitation, bitterness, community action, ap-





peals to government, and, in the case of Edmonton, use of force before the railway finally crossed the river.

The extent to which the development of the established town and district suffered cannot be measured. With regard to both Edmonton and Macleod, the editor of the Edmonton Bulletin wrote:

There is no doubt that it is this uncertainty as to the ultimate crossing that has most greatly hindered the prosperity of both places, as both were in danger of being sidetracked whenever it should please the railway company to move on.<sup>1</sup>

Later, in referring to the "universal custom" of railways of taking advantage of settlers by such means, he stated that "nothing has been done in the Northwest which has had a greater effect in retarding its development than that course of action."<sup>2</sup>

#### A. Terminal Points and the Fear of Being Sidetracked

##### 1. Edmonton

Fears of the possibility of Edmonton being sidetracked by any future railway were expressed as early as the spring of 1882 when the Bulletin editor wrote that other places had an equal chance with Edmonton of being chosen as the terminus of a railway. He referred to the tug of war that would inevitably occur when the railroad

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<sup>1</sup>Edmonton Bulletin, July 29, 1897.

<sup>2</sup>Ibid., June 19, 1889.



crossing should be located.<sup>1</sup> After eight more years of waiting, when the prospect of a railway seemed near, the editor stated that

the most important point of general interest regarding the railway is the location of the terminus on the Saskatchewan river, . . . In short, where the terminus is made, the future metropolis of what is really the Northwest will be.<sup>2</sup>

The editorial goes on to offer reasons why Edmonton should be the site of the terminus. It was the trade centre of the Northwest,<sup>3</sup> the business centre of the agricultural settlement of the district as well as of outlying settlements, and the point to which the charter directed the road to be built.

During 1891, several letters appeared in the pages of the Edmonton Bulletin, putting forth the superior claims of Fort Saskatchewan to be the northern terminus of the railway. These were quoted in the Calgary Herald. In answer, the editor of the Bulletin argued that Edmonton was as nearly as possible the central point of settlement, cultivation, and population in the area.<sup>4</sup>

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<sup>1</sup>Ibid., Apr. 23, 1882.      <sup>2</sup>Ibid., May 17, 1890.

<sup>3</sup>The description really applies to Winnipeg, not to Edmonton.

<sup>4</sup>Ibid., May 17, 1890. Evidence that Fort Saskatchewan's claim was not altogether idle can be found in the





The Calgary and Edmonton Company had been authorized to build their line "from a point . . . within the town of Calgary, to a point at or near Edmonton."<sup>1</sup> The phrase "at or near" was deliberately left undefined, as debates in the House of Commons later showed, so as not to place too many restrictions upon the Company. This little phrase found its way into most of the railway charters of the time, undoubtedly at the insistence of the railway companies concerned. It may, however, be regarded also as a loophole which the companies, including the Calgary and Edmonton Company, did not often fail to make the most of.

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account by Col Steele of the N.W.M.P. as to why their barracks were located at Fort Saskatchewan. The Commissioner had given orders that they be built on the south bank of the river between Fort Edmonton and Sturgeon Creek, 25 miles east. A deputation of the people came from the settlement at Edmonton to Inspector Jarvis, he relates, "with blood in their eyes to . . . demand that the barracks be built at Edmonton. . . . I have no doubt," he adds, "that if the settlers had let him alone he would have built the new post on the opposite side of the river. As it was he chose a position 20 miles east, where he thought there would be a good railway crossing." Steele also states that although the Canadian Pacific survey at the time passed 40 miles south of Edmonton and crossed the Saskatchewan many miles west of the fort, "thus giving the impression that the main line would not touch Edmonton, Inspector Jarvis had quite a different opinion, . . . He knew that Edmonton had a name already, and had large quantities of coal beneath the fort, . . . but he knew that the crossing at the new site was easier, and believed that a good town would spring up there in the future, as well as at Edmonton." S.B. Steele, Forty Years in Canada (Toronto: McClelland, Goodchild & Stewart Limited, 1915), pp. 88-89.

<sup>1</sup>Statutes of Canada, 53 Vic., Cap. 84.





Besides the interests of the established centre and district, the Bulletin recognized that there was the Company's side of the question to be considered, which meant the serving of two objects: to secure the best crossing at the least possible expense, and "to secure as large and profitable an interest as possible in the site" where the terminus should be located.<sup>1</sup>

With regard to the first object of the Company, the editor thought that Edmonton was at no disadvantage by comparison with other points in engineering difficulties while on the second object, he called for "united action in dealing with the railway company," adding that "what the demands of the railway company will be we cannot tell, but there should be a means and a willingness to meet all reasonable requirements."<sup>2</sup> The several advantages in Edmonton's favor were not sufficiently apparent to compel the Company to make it their terminus. What was needed was a "spirited and energetic" policy, a liberal policy which would attract immigration and investment. This was the way to increase the value of the land rather than to put prices on it that would deter outside investment.

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<sup>1</sup>Edmonton Bulletin, May 17, 1890.

<sup>2</sup>Idem



Even after the completion of the line of railway to the top of the south bank of the river opposite Edmonton, the fear persisted that Edmonton might yet be bypassed in any future extension of the line across the North Saskatchewan River. Skepticism was such that over four years later, the Bulletin editor wrote:

The C. and E. and C.P.R. companies which are so careless about railway extensions in this quarter, may awaken any day to the possibility of speculation in a new townsite on the Saskatchewan, and run a branch to some other point and boom a town there.<sup>1</sup>

It was because nothing else would ensure that the railway would cross the river at Edmonton when it should come that the matter of bridge construction at that point took on such urgency. In 1897, when construction of the bridge was anticipated, the Bulletin stated that such a bridge would mean, among other things, that the question of the ultimate railway crossing would be settled and that both Edmonton and Strathcona would gain a "permanent standing otherwise lacking with the threat of the railway company to cross at some other point continually held before them."<sup>2</sup>

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<sup>1</sup>Ibid., Dec. 26, 1895.

<sup>2</sup>Ibid., July 29, 1897.





## 2. Macleod

Although Macleod did not even have the protection of an "at or near" clause since the act of incorporation merely authorized the Company to extend their line south to the International Boundary without mentioning Macleod, the understanding was general that the railway would run through Macleod. In fact, over eighteen months before the completion of the railway to the Old Man River, the Macleod Gazette was waxing enthusiastic over prospects of the Calgary and Edmonton Railway trains "running to Macleod during the present year."<sup>1</sup> The editor wrote that "the bridge across the Old Man's River at this point will no doubt be an established fact before the snow flies."<sup>2</sup> That it was expected that the line would run through Macleod is evident from the statement that "it is reduced practically to a certainty that Macleod will be that point" where the Canadian Pacific line through the Crow's Nest Pass would cross the Calgary and Edmonton line.<sup>3</sup> In order, therefore, to be in a better position to protect their interests, the Gazette advocated incorporation for the town of Macleod.<sup>4</sup>

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<sup>1</sup>Macleod Gazette, Jan. 15, 1897.

<sup>2</sup>Idem

<sup>3</sup>Ibid., Apr. 23, 1891.

<sup>4</sup>Ibid., May 30, 1891.





In 1891, the Calgary and Edmonton Railway in its southern extension was seen in the panoramic view of the editor of the Macleod Gazette as forming an important part of a great railway system centred in the town of Macleod. Envisaged in the near future was a Canadian Pacific line through the Crow's Nest Pass into the newly discovered Kootenay mining country of British Columbia, intersected at Macleod by the Calgary and Edmonton line, extending on to the International Boundary and linking up with the Great Northern system in the United States, thus "uniting the extreme northern and southern extremities of the continent."<sup>1</sup> Macleod was foreseen as the divisional point for both the Canadian Pacific Railway and the Calgary and Edmonton Railway, and as the distributing point for the whole of southern Alberta and the Kootenay mining country--in fact, as the greatest distributing centre west of Winnipeg. No wonder that the Gazette proclaimed that "the whole of the Macleod district is on the verge of a brilliant dawn."<sup>2</sup>

The sequel to this early promise was disappointing. Though the Calgary and Edmonton line reached the north bank of the Old Man River opposite Macleod on November 3, 1892,

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<sup>1</sup>Ibid., Apr. 23, 1891.

<sup>2</sup>Idem



it halted there and was not to cross the river for six more years; when it finally did cross, the old townsite was by-passed by two miles.<sup>1</sup> Much of the resulting frustration experienced by Macleod residents attached to the Calgary and Edmonton Railway Company who remained adamant in their refusal, first, to cross the river and, later, to build through the old townsite.

For a number of years, therefore, Macleod too was to experience the same fear of being sidetracked as Edmonton did if and when the railway should cross the river. As a result, "owing to the uncertainty of its connection with the railway," said Frank Oliver in the House of Commons, "it is at a standstill so far as building is concerned."<sup>2</sup> Having failed to gain satisfaction from the Calgary and Edmonton Company, the newly incorporated town sent its first delegation to Ottawa in late 1893 to lobby for a clause to require the Alberta Railway and Coal Company to build through Macleod on its way westward.<sup>3</sup>

When Osler, supported by the lobbying of Ross, Mac-

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<sup>1</sup>Not until another three years went by, that is in 1901, did the C.P.R. Crow's Nest Line go through.

<sup>2</sup>Debates of the House of Commons, 8th Parl., 2nd Sess., 60.Vic., 1897, p. 2337f.

<sup>3</sup>Macleod Gazette, Dec. 8, 1893.





kenzie, and Mann, asked Parliament in 1897 for an extension to the charter to build south to the International Boundary and north to the Peace River, Frank Oliver eagerly took up the cudgels in defense of the interests of his constituents both in Macleod and Edmonton. By this time accustomed to the role of critic of the Calgary and Edmonton Company as of railway companies generally, Oliver insisted upon including an amendment which would compel the Company to build into the incorporated town of Macleod and to the Saskatchewan River on the Mill Flat within one year.<sup>1</sup> In the course of the debate, the Liberal Minister of Railways, Mr. Blair, stated that he "considered that the towns of Edmonton and Macleod were entitled to consideration that they had not received."<sup>2</sup> J.F. Lister, Member for West Lambton, declared that "the Company had broken faith with Parliament in not making their connections with these towns, as was the original understanding."<sup>3</sup>

In the face of such opposition, Osler changed his motion to ask simply for power to extend to a junction with the Crow's Nest Pass line. The inclusion of a clause stipulating that the extension be made under the approval

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<sup>1</sup>Debates of the House of Commons, ibid., pp. 2338f., 2610f., 2920f.

<sup>2</sup>Idem

<sup>3</sup>Idem





of the Governor-in-Council, guaranteeing the interests of the town of Macleod was followed by a debate as to whether this was sufficient guarantee. In Committee of the whole House, Oliver's persistence, coupled with the changed attitude of the House toward railways compared with that of earlier years, led to the following amendment: "Such route and plan shall provide for the establishment and maintenance of a station for receiving and delivering freight and passengers within the present corporate limits of the town of Macleod."<sup>1</sup> Although this bill passed the House, it was withdrawn in the Senate at the request of the Calgary and Edmonton Company who opposed the amendment.

The Company was more successful a year later as an act was passed authorizing the Calgary and Edmonton Company to build an extension of its line to connect with the Crow's Nest Railway then under construction with the stipulation only that the location of the line be subject to the approv-

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<sup>1</sup>Ibid., p. 2920. By this time, not only had the attitude of the House become less favorable toward railways, but the policy of the government had changed. Frank Oliver in a speech in Calgary credited the change to the change in government in 1896 when the Liberals took over the administration after 18 years of Conservative rule. Rate regulation on the Crow's Nest Pass line, a clause in its charter specifying that existing interests be protected, and a requirement that the C.P.R. twice daily back into Lethbridge were offered as examples of the new policy. See Edmonton Bulletin, Oct. 8, 1900.





al of the Governor-in-Council.<sup>1</sup>

When the railway crossed the river in 1898, the residents of Macleod, though for six years they had stood firm against the Company's new townsite across the river, now yielded to the Company's offer--the probability that Macleod would become the Canadian Pacific Railway divisional point provided the station be built on the new townsite two and a half miles east of the old townsite. The ironic though not surprising sequel to this whole Macleod affair was that the roundhouses, for the sake of which Macleod residents had been willing to see the station built two and a half miles away, ended up being built in Cranbrook, British Columbia. In a speech in Calgary a few years later, Oliver insisted that the residents of Macleod could have had their privileges protected if they had stood by their rights.<sup>2</sup>

Macleod thus became another of the numerous established settlements which were victimized by one or another of the colonization railways subsidized by the Federal government in order to serve the Dominion's purposes.

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<sup>1</sup>Statutes of Canada, 61 Vic., Cap. 57, assented to 13 June, 1898.

<sup>2</sup>Edmonton Bulletin, Oct. 8, 1900.





### 3. Other Examples

That this tendency to make the interests of established settlements take second place to the wishes of the company was not peculiar to the Calgary and Edmonton Company was indicated by both the Bulletin and the Gazette. An interesting item from the St. Paul (Minnesota) Journal, for example, appeared in the Macleod paper during the time when Macleod stared at a railway terminus across the river. It was reported that the Soo line which was building across North Dakota was avoiding existing towns. Four towns were listed which had been sidetracked by from one-half to two miles. The comment of the St. Paul Journal read:

Apparently the line is being built with an engineer's eye to distance and grades and with no special view to traffic or the convenience of established centers of population. . . . A railroad should serve the country it passes through and should be willing to go out of its way if need be to reach the points where the people have created conveniences for business.<sup>1</sup>

It was not necessary, however, to reach below the border to find examples of such a common practice. The Qu'Appelle Railway, financed and built by the same interests as the Calgary and Edmonton, had more than once used its superior power to force existing settlements to "come across" in one way or another. The original Qu'Appelle

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<sup>1</sup>St. Paul Journal, n.d., cited by Macleod Gazette, Feb. 2, 1893.





line on its way to Long Lake had run to a point in the valley called Craven. Its successor company, however, changed the route much further west and branched off from the old route in the Qu'Appelle Valley, four miles short of Craven, establishing Lumsden at the jumping-off point. The Company refused to operate the short four-mile spur to Craven, and "the settlers who had gone to that place about six or seven years previously expecting that the railway then built would be operated naturally feel disappointed, not to say indignant."<sup>1</sup>

In the debate on Osler's bill asking for extension of the Calgary and Edmonton charter, the Member of Parliament for Saskatchewan spoke up:

I know something about these people because they have a railroad built to the town in which I live, namely the Regina, Long Lake and Saskatchewan Railway. There is an old saying that the burnt child dreads the fire, and we know, from the way in which they have acted in the past, that we have nothing to expect from them unless they are forced and tied down to do what is right in the interest of the settlers.<sup>2</sup>

He went on to explain how the Company had passed by the town of Saskatoon and "built a townsite of their own, prac-

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<sup>1</sup>Macleod Gazette, Feb. 2, 1893, quoting Edmonton Bulletin, n.d.

<sup>2</sup>Debates of the House of Commons, ibid., p. 2924.



tically ruining Saskatoon."<sup>1</sup> Duck Lake was sidetracked by a mile or two and the people were forced to move to the Company's townsite. Property owners in Prince Albert, a large town in existence for eighteen years, were forced to agree to give the Company one-half of their property before the Company would come in and locate a station there.

#### 4. Conclusions

A reading of the Edmonton Bulletin and Macleod Gazette in the 1890's reveals that a good deal of unnecessary anxiety and ill-will resulted from the inclusion of the vague "at or near" clause in the Calgary and Edmonton Railway legislation. The Bulletin's conviction that the Company took advantage of such vagueness of phraseology at the expense of established interests is well-grounded. Where there were such well-established centres of sizeable population such as Edmonton (over 500) and Macleod (400 to 500), it was the government's duty to ensure that the railway company had no power under acts of Parliament of by-passing these centres. That the people's representatives began to see the matter in this light is indi-

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<sup>1</sup>The original settlement was in Nutana on the east side of the South Saskatchewan River; the Qu'Appelle Company located its station on the west side.





cated by the fact that in 1899 the Edmonton and Saskatchewan Railway Company's bill was passed with certain amendments put forth by Oliver including a change of wording from "at or near" Fort Saskatchewan to "as near a point as may be practicable."<sup>1</sup>

In summary, the possibility of eventual sidetracking by the railway was in the minds of Edmonton residents from before incorporation of the Calgary and Edmonton Railway Company until the construction of the bridge and the laying of track into the town in 1900 and 1902 respectively. In the case of Macleod, the same possibility which had caused concern to the people for about seven years was turned into a reality in 1898. It was a point made repeatedly by the Bulletin that such fears and eventuality would have been avoided had the government exercised its responsibility and required the Calgary and Edmonton Company to build its line into existing settlements.

#### B. Bridging of the River and "Completion" of the Railway

This section presupposes a distinction between the location of terminal points on the one hand and the bridging of the river and "completion" of the railway on the other hand. The former concerns the determination of the

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<sup>1</sup>Edmonton Bulletin, June 12, 1899.





point at which the railway will touch the river--whether at the point of existing settlement, up-stream from that point, or down-stream. This having been determined, the latter concerns the getting of the railway across the river into the town. Not until this question was resolved in favor of the town could the fears associated with the former be altogether set at rest. The discussion which follows deals only with the bridging of the North Saskatchewan and the completion of the railway into the town of Edmonton.

#### 1. Early Expectation and Disappointment

For Edmonton, then, the overriding problem was not so much the possibility of being sidetracked by the Calgary and Edmonton Railway as the unpleasant fact that the railway had stopped short of its expected destination and had terminated on the opposite bank of the river. How to get the railway to cross the river at all was the difficulty. Macleod was faced with the same task, but in Edmonton's case it was intensified by the fact that the railway did not even descend the steep bank of the valley onto the flat but stopped at the top of the south bank. In Macleod, the railway went down onto the flat.

The phrase "at or near" Edmonton did not obligate the Company to extend their line across the river. The general understanding, nevertheless, was that the Company



were expected to and, indeed, would do so. In the late spring of 1890, the Edmonton Bulletin wrote that since nine-tenths of the trade coming to "this point" was for regions lying north of the river, it would be of proportionately greater advantage to the country at large to have the terminus located on the north side of the river.<sup>1</sup> A delegation to Ottawa from the Board of Trade some months earlier asked that the government assist the Calgary and Edmonton Company by granting in aid of construction of a combined railway and traffic bridge an amount equal to the cost of a traffic bridge. The government's answer, according to the Bulletin, expressed both confidence that engineers would find a suitable site for a bridge at or near the ferry crossing and hope that the bridge would be constructed early. The editor noted in the late summer of 1891 shortly after the completion of the railway to the south side of the river that a traffic bridge was expected "shortly."<sup>2</sup>

Such were the hopes and expectations of 1890-91. But Edmonton was not to get its bridge until 1900--after ten years of waiting, agitation, unrealized promises, and

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<sup>1</sup>Ibid., June 14, 1890.

<sup>2</sup>Ibid., Sept. 3, 1891.





increasing disappointment both with the government and with the railway company. Yet another two years went by before the town got its first train.

A hint of things to come appeared in an article in the Calgary Herald in the fall of 1890 when the railway was pushing north toward the Red Deer River:

We all know that there is a serious difficulty in connection with the probable non-entrance of the railway into the old town of Edmonton. . . . The Macleod Gazette is growing uneasy over the suspicion that the Calgary and Edmonton people do not intend to take the road into Macleod.<sup>1</sup>

Confidence seemed, however, to be in order when the Edmonton Bulletin was able to report at the same time that Calgary and Edmonton Company surveyors had spent several days prospecting for a railway crossing of the North Saskatchewan River, ranging up and down river over a distance of about ten miles.<sup>2</sup> Despite the optimism of the Minister of Public Works, there was no bridge for the railway to cross when it reached the top of the south bank in the summer of 1891.

Understandably, therefore, it came as a blow when in an interview later that fall, James Ross of the Calgary and Edmonton Company impressed it upon a committee of Ed-

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<sup>1</sup>Macleod Gazette, Sept. 25, 1890, quoting the Calgary Herald, n.d.

<sup>2</sup>Edmonton Bulletin, Sept. 27, 1890.





monton citizens that although the railway was chartered to build to Peace River, it would not cross the Saskatchewan River either at that time or in the immediate future--not until the extension northward should be decided upon. The Bulletin commented: "Mr. Ross gave it to be understood that the engineering questions and the interests of the railway company were the only matters to be considered in this connection, and that the vested interests of the town would not be recognized, apart from other considerations."<sup>1</sup>

Even apart from the need for a railway bridge as a prerequisite to the hoped for railway connection, the long-felt lack of a traffic bridge was made more painfully apparent in 1891 as the "railway age" began for the Edmonton district. Under the old order of things, when traffic moved in much smaller quantities and at a far more leisurely pace, the delay and expense of ferry crossing was not felt so keenly. The railway increased the volume of business and hours began to count more than days formerly had, as the Bulletin put it, and cents were calculated as dollars used to be. The difficult circumstances of annual freeze-up and break-up were bringing out more vividly the necessity of a bridge with as many as eighty to a hundred

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<sup>1</sup>Ibid., Oct. 11, 1890.



passengers in two weeks having to sleep on "shake downs or in the cars" while "waiting for hours in the cold on the river bank for a chance to risk their lives in a small boat amongst the floating ice or to take a ride in the cage suspended from the ferry cable--a most risky looking and inconvenient mode of conveyance."<sup>1</sup>

A year later, a petition to the Minister of the Interior cited the increase of settlement and trade among other reasons pointing up the need for an immediate beginning of construction of a bridge.<sup>2</sup> The traditional means of crossing the river--from the station by teams down into the flat, by ferry (small boats or the ford if the ferry was not operating) across the river, by teams again up the bank and into town--proved especially impractical when freight was on the scale of tons and carloads rather than hundreds of pounds.<sup>3</sup> Each year the experience of fall freeze-up or spring break-up occasioned a renewal in the agitation for a bridge. The Bulletin reported the harm done to Edmonton business as incoming prospectors and settlers without fail commented on the lack of railway connection and the awkwardness and delay resulting.

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<sup>1</sup>Ibid., Nov. 14, 1891.

<sup>2</sup>Ibid., Nov. 14, 1892.

<sup>3</sup>Ibid., Nov. 23, 1892.





## 2. The Bridge at Last

Edmonton citizens began to sense the impossibility of inducing the Calgary and Edmonton Company to extend their line across the river. They adopted, therefore, the more limited and, apparently, more realizable objective of getting the line extended to the bottom of the south bank in order to facilitate the handling of the grain trade. The agreement with the government required the Company to build "to a point on the North Saskatchewan River," which to the Bulletin meant "to the bank of the Saskatchewan River,"<sup>1</sup> that is, the edge of the water. Since the Company apparently had no intention even of doing this on their own, the citizens of Edmonton began to cast about for alternative courses of action. A natural preliminary step was the incorporation of the town, taken with a view to securing improved railway service. With this goal in mind, several possibilities were considered.

An offer was made to the Canadian Pacific Railway Company, lessees and operators of the Calgary and Edmonton line. Approaches made to William Van Horne, President of the Company, brought replies, reported the Bulletin, indicating that he felt there was little chance that a railway

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<sup>1</sup>Ibid., July 18, 1891.





could be brought down to the bridge site by a practicable grade of reasonable cost of construction.<sup>1</sup>

As an alternative, it was hoped to work out an agreement with the Calgary and Edmonton Company by which they would build the line and operate it for a stated amount--something less than the actual cost of construction. As its part in the agreement, the town would offer an absolute amount in aid.<sup>2</sup>

Both the railway companies declared in answer to these initiatives that due to their present relations with each other--in which the Canadian Pacific Company operated the Calgary and Edmonton line under lease--neither would undertake to build the extension as it might prejudice their positions in negotiating any final arrangement with each other.<sup>3</sup> The Canadian Pacific Company, however, re-

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<sup>1</sup>In 1897 the Bulletin reported Van Horne as announcing that an extension of the railway from the terminus at Strathcona to Athabasca Landing could not cross the river at Edmonton due to the depth of the gorge. The Bulletin pointed out, however, in the summer of 1895 that Mr. Bruce, C.E., surveyed for a bridge and found that the bridge level could be reached with a grade of one per cent by construction of  $3\frac{3}{4}$  miles of track. In fact, on that basis, said the Bulletin, the government had agreed to build a railway and traffic bridge with the town paying part of the cost. Ibid., Aug. 9, 1897; June 6, 1895.

<sup>2</sup>Ibid., June 13, 1895.

<sup>3</sup>The transfer of the C. & E. Railway to the C.P.R. was anticipated at the time. Ibid., July 15, 1895.





portedly agreed that if the line were built, they would receive and deliver freight at the end of the spur at no extra cost. The Bulletin quoted the Calgary and Edmonton Company spokesman as promising to do the same if they were operating the line after 1896.<sup>1</sup>

In the face of these negative responses, the town considered building an electric railway from the railway terminus down to the edge of the river at a cost estimated by the Canadian General Electric Company at \$59,000 plus \$7,000 of annual expenditure for operation and interest payments.<sup>2</sup> Though considered to have the advantage over the steam railway of economy and greater ability to negotiate steep grades, there would be the disadvantage of transshipment at the connection. Indicating the seriousness of its intention, the town secured the incorporation of a street railway company in 1894.<sup>3</sup> The whole problem was thus left in the lap of the town. If it should come to this that the town would have to build the line, government subsidy was counted on in the form of a land grant of 24,000 acres which at one dollar per acre would be worth \$24,000. This venture did not, however, materialize.

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<sup>1</sup>Ibid., Oct. 10, 1895.

<sup>2</sup>Ibid., Oct. 16, 1892.

<sup>3</sup>Ibid., May 26, 1896.





Two other alternatives reported by the Bulletin concerned the more ambitious original project of bringing the railway right into the town of Edmonton and, of course, presupposed the construction of a bridge. A subsidized private company might be induced to build both a bridge and a steam railway line. The company could count on a government grant of \$3,200 per mile, an additional government grant of \$75,000 for the traffic bridge, and a contribution from the town in the amount of \$25,000.<sup>1</sup>

A few days after this suggested scheme appeared in the Bulletin, the paper took note of an announcement in the Canada Gazette of a pending application for a charter under the name of the Edmonton District Railway Company, who were asking for authority to build railway lines from Edmonton in three directions: south to the Calgary and Edmonton line, northwest to the Athabasca River, and east to Fort Saskatchewan.<sup>2</sup> Left up in the air was the question of any future arrangements with either the Calgary and Edmonton Company or the Canadian Pacific Company for operating the road from Strathcona to Edmonton. The Company planned to carry men and supplies to the Klondike gold fields by putting steamers on the Athabasca and Mackenzie rivers to

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<sup>1</sup>Ibid., Oct. 10, 1895.

<sup>2</sup>Ibid., Nov. 4, 1895.





link up with the projected railhead on the Athabasca River at Fort Assiniboine.<sup>1</sup>

Finally, the town might build the whole project itself at a cost of \$125,000 with government aid to the tune of \$75,000--the finished road to be handed over for use to one of the two railway companies who would operate it without extra charge for the mileage added. A debate over the relative merits and demerits of construction and ownership by a private company or by the town appeared in the Edmonton Bulletin between January and May, 1896.

Edmonton's best hope of getting the bridge, however, was government construction. In 1897, citizens sent another memorial in the wearying series of representations to Ottawa, asking that in view of the fact that settlers had come into the district in 1890 expecting that the railway would cross the river, and in view of the fact also that the government had promised large assistance to the construction of a railway and traffic bridge "during the present season," the government refuse to extend the charter of the Calgary and Edmonton Railway Company unless they agree to build their line into Edmonton.<sup>2</sup>

By this time, the government had agreed that it

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<sup>1</sup>Ibid., Sept. 30, 1897.

<sup>2</sup>Ibid., Jan. 28, 1897.





would build the combined railway and traffic bridge<sup>1</sup> with the town paying a part of the cost--namely \$25,000. The town promptly sent bonds in that amount to Ottawa. Frank Oliver, Member of Parliament for Alberta, received assurances, he said, of a government guarantee "that the bridge . . . will be started at once and completed this season."

In the light of this new development, the Edmonton District Railway Company announced that they contemplated building their railway across the river as soon as the bridge was completed. Edmonton residents anticipated a promising future.<sup>2</sup>

The year, however, ran its course; 1898 also came and went, and still there was no bridge. "But of course

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<sup>1</sup>Katherine Hughes credits Father Lacombe with eliciting a government commitment two years earlier (1895) to build the bridge. She writes: "Various demands sent by Edmontonians to Ottawa for relief were disregarded, for Edmonton's pioneers . . . were more versed in Indian-trading and horse-trading than in diplomacy" (Cf. Denny's remarks above, p. 120). "Now in 1895 the Town Fathers conceived the idea that their one hope lay in this irresistible old missionary-diplomat, who had a few years before secured a grant from the government for a bridge at Calgary." Father Lacombe, accompanied by the mayor of Edmonton, "endeavoured not only to get the bridge, but also to have the Calgary and Edmonton line continued across the river." She reports Lacombe interviewing Prime Minister Bowell; Foster; Daly; Ouyet; Tupper; Van Horne; and Whyte; and approaching leading stockholders in Toronto and Winnipeg. She concludes by writing that the government readily granted the bridge. Op. cit., pp. 355-6.

<sup>2</sup>Edmonton Bulletin, May 31, June 10, Sept. 30, 1897.





the bridge will be completed during the next summer season," the Minister of Public Works assured the civic leaders by a letter printed in the Bulletin in February of 1899.<sup>1</sup> A contract between the government and the Dominion Bridge Company was signed in the spring, promising completion by December 1, 1899. The Edmonton District Railway Company's charter was extended to the fall of 1900. An unexpected delay in the fall of 1899 stretched construction over the winter and the long-awaited bridge did not become a reality till April of 1900, eleven years after the first memorial had been sent to Ottawa and nine years after the railway had reached Strathcona.<sup>2</sup>

### 3. A Railway over the Bridge

The bridge built, attention could now be focused on the next and inevitable step, the construction of a railway over the bridge. The old charter of the Edmonton District Railway Company, apparently organized in the first place at the instigation of the town of Edmonton, had been purchased by A.G. Blair, George McAvity, and William Pugsley, the latter a stockholder in the Qu'Appelle Company. Their fond hopes for a rail and water link-up with the Klondike having evaporated, they disposed of their charter with its accom-

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<sup>1</sup>Ibid., Feb. 20, 1899.

<sup>2</sup>Ibid., Apr. 6, 1900.





panying franchise and responsibilities to the well-known partnership of William Mackenzie and Donald Mann. It will be recalled that a decade earlier these men had shared with Ross and Holt the contract for the building of the Calgary and Edmonton Railway. From the comparative obscurity of those early days, Mackenzie and Mann had arisen to national fame, having parlayed a few unpromising railway franchises in Manitoba into a system which was to reach transcontinental proportions.

Viewing Edmonton as the gateway to the Pacific for their Canadian Northern line, even as Calgary had been regarded and favored by the rival Canadian Pacific Company, Mackenzie and Mann secured an agreement with the town by which they would begin construction of the railway spur to Strathcona under the pretentious name of the Edmonton, Yukon and Pacific Railway. Construction was to begin by May 1, 1901 and to be completed by October 1 of the same year. They agreed also to operate the line continuously, according to the Edmonton Bulletin.<sup>1</sup>

In late April of 1901, Mackenzie and Mann secured government permission to cross the bridge with their railway. Late June saw the arrival of Malcolm McCrimmin's

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<sup>1</sup>Ibid., Oct. 26, 1901.



road-building outfit from Calgary. Operations began in July, two months late. By November 22, three weeks past the deadline for completion of the road, one mile remained to be built and the Bulletin headlined a severe censure of the Canadian Northern Company with the words: "A Breach of Faith."<sup>1</sup> The road was completed the following spring, but in June the editor of the Bulletin complained that although rails had been laid from Strathcona to Edmonton, the connection had not yet been made and wondered whether agreements with Mackenzie and Mann meant anything.

#### 4. Making the Connection

Even with the railway spur built into the town, it appeared that Edmonton was in for yet one more of its frustrating delays on the way to securing direct railway service. Associated with the problem of making the connection between the Edmonton, Yukon and Pacific short line and the Calgary and Edmonton Railway was the question of who would operate the four-mile spur once the link was made.

Apparently, the promise of Mackenzie and Mann to operate the line had been lightly made. Realistically, as the Bulletin editor pointed out, the Canadian Northern could hardly be expected to provide a locomotive and operat-

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<sup>1</sup>Ibid., Nov. 22, 1901.





ing staff for a line only four miles long.<sup>1</sup> The Calgary and Edmonton Company could not operate the spur since they owned no rolling stock. That left the Canadian Pacific Railway, operators of the Calgary and Edmonton line.

If the Canadian Pacific Company were to operate the spur--as they had reportedly promised to do back in 1895--an arrangement would have to be made between them and the firm of Mackenzie and Mann. There was apparently considerable difficulty experienced in working out an arrangement satisfactory to both parties. Concerning the Canadian Pacific Company, the Bulletin conceded that "they are under no obligation to operate it, and may refuse to do so,"<sup>2</sup> especially if it were true that Mackenzie and Mann were dickering for the purchase of the Calgary and Edmonton line, as the editor suggested.

Only the Canadian Pacific Company, however, could operate the line to the advantage both of the company and the town. Whatever the failure of Mackenzie and Mann to live up to their promises, under the circumstances, the editor of the Bulletin declared, "if the C.P.R. have refused to operate, they do not appear in any too favorable a light,"<sup>3</sup> considering that the service would be a conveni-

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<sup>1</sup>Ibid., June 6, 1902.

<sup>2</sup>Idem

<sup>3</sup>Idem





ence to the public, bring traffic and profit to the Company, and bring in settlers to the "nearly a million acres of land" belonging to the Canadian Pacific Company "in the very region that would be chiefly affected." As the editor put it, "For the C.P.R. to refuse to operate the extension merely because it belongs to Mackenzie and Mann, if that is the fact, is a clear case of cutting off the nose to spite the face."<sup>1</sup>

Such was the mistrust with which Edmonton citizens by this time regarded the Canadian Pacific Railway and the Calgary and Edmonton Railway Company, that a rumour had gotten out in the fall of 1901 during construction of the spur line that the Calgary and Edmonton Company had taken out an injunction to prevent Mackenzie and Mann from making a junction with their line. Mr. N.E. Brooks, Inspector of the Calgary and Edmonton line, had found it necessary publically to deny the rumour.

This latest impasse was only one more factor contributing to the bitterness which Edmonton residents felt toward the Canadian Pacific Railway Company. From the time of the abandonment of the northern route in 1881 until the Company's rebirth of interest in Edmonton in 1903--apparently in the face of competition from rival transcontin-

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<sup>1</sup>Idem





entals, relations had grown steadily worse. Besides the decision to divert the route southward, other factors strained the relationship. For instance, the government had reserved to the Company all unclaimed odd-numbered sections in two vast blocks of land to the southeast, east, and northeast of Edmonton--known as the First and Second Northern Reserves--as part of the land subsidy for building the transcontinental line. The resulting "land-lock" was held responsible, by critics of the Company including the Bulletin, for holding back the settlement of the area.<sup>1</sup> Edmonton settlers also blamed the Company for not encouraging the extension of the Calgary and Edmonton Railway into Edmonton. Associated with this grievance, was the Canadian Pacific's interest in building up the rival town of Strathcona on the south bank, their unwillingness to come to an

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<sup>1</sup>With the relinquishment of the eastern half of the First Northern Reserve to the Federal Government in 1890, the C.P.R. abandoned its proposed branch lines through the Northern Reserve. Though development of some of these lands was later made possible through branches built eastward from the C. & E. line, the C.P.R. concentrated its attention on developing the lands along its main line and gave little thought to the northern lands during the 1890's. When ultimately these lands were served by rival lines of railway, the C.P.R. was robbed of incentive for early development and gave up the policy it followed in the south of land sales on conditions of settlement in favor of sales at high prices without settlement conditions. As a result, "the zeal which the Company displayed in the work of settling the South was largely absent in the North."





agreement with the Canadian Northern for the operation of the spur, and the favors bestowed upon Calgary, as a result of which Edmonton was drawn toward competing lines. For these reasons, Edmontonians were bitterly hostile toward the Canadian Pacific Railway.<sup>1</sup>

That the latest delay represented a "very substantial grievance" to Edmonton and district is no surprise. Seemingly unending waiting, agitation, and promises unkept had been their lot for eleven long years. Now the town had put \$25,000 into the bridge to get the railway connection and had gone to the trouble and expense of securing a railway charter, under the legal successor of which the extension had been built. Settlement north of the river was being retarded as long as the connection was not made; the cost of hauling produce from Edmonton to the railway station had meant a loss of \$10,000 to farmers on the north side in one season, according to Bulletin calculations.

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<sup>1</sup>When the C.P.R. later became interested in effecting an entrance into Edmonton, the Company was faced with the need to conciliate the townspeople, disarm criticism, and refute the charge of a jealous motive on the part of the Company in their past and present actions. In response to the attempts of a C.P.R. official to win the regard of the people at a public meeting called at the request of the official himself, the Bulletin stated that the C.P.R., who "once had Edmonton at their mercy," had in the past "persistently shelved Edmonton's grievances when it could help Edmonton." But now with the prospect of rival railways before them, they had suddenly become "very solicitous" for Edmonton's welfare. Ibid., Mar. 28, 1903.





The building of elevators was being held up, it was said, by uncertainty as to the operation of the spur.<sup>1</sup> Both the Canadian Northern as well as the Canadian Pacific had at various times given assurance that the line would be operated. The three conditions laid down by Van Horne of the Canadian Pacific Railway for his Company's operation of the spur had been fulfilled, it was argued: a practicable grade, the promise that the road would be kept in operating condition, and a renewed lease by the Canadian Pacific on the Calgary and Edmonton line.<sup>2</sup>

Mann was reported as saying in a Winnipeg interview that no one was willing to operate the road.<sup>3</sup> It had been offered to the Calgary and Edmonton Company free of charge on the condition that they or the Canadian Pacific Company would operate it, but, said Mann, they would not unless they were paid to do so. What it boiled down to, then, was that the Calgary and Edmonton Company couldn't operate the line--having no rolling stock--, the Canadian Pacific Railway didn't have to operate it, and the Canadian Northern didn't want to.

Finally, in August of 1902, a letter from Macken-

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<sup>1</sup>Ibid., June 23, 1902.

<sup>2</sup>Idem

<sup>3</sup>Ibid., July 11, 1902.



zie to Edmonton representatives revealed that an agreement had been arrived at with the Calgary and Edmonton Company under which the latter would operate the track.<sup>1</sup> Six weeks later, however, when still no connection had been made, the Calgary and Edmonton solicitor, in a letter to Oliver, stated that it "is not the Calgary and Edmonton Company's fault that a satisfactory arrangement has not been arrived at some months ago," and he protested his Company's readiness at any time to facilitate any reasonable arrangements."<sup>2</sup> A report had appeared in the Bulletin announcing that the proposal by the Edmonton, Yukon and Pacific Company for the Calgary and Edmonton Company to operate the line had been declined. Mr. A. Nanton of the latter Company stated that they had tried since April to reach an agreement.<sup>3</sup> The whole affair supports the suspicion that the Bulletin editor's information was correct when he suggested that complicated negotiations by the rival companies for the purchase of the Calgary and Edmonton line were going on behind the scenes.

It became clear, at any rate, that if the spur was to be operated, the Canadian Northern Company would have to

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<sup>1</sup>Ibid., Aug. 29, 1902.

<sup>2</sup>Ibid., Oct. 31, 1902.

<sup>3</sup>Ibid., Oct. 17, 1902.





do it themselves. It now remained to make the physical connection between the two lines. But before this was to be accomplished, Strathcona was to witness a reciprocal display of force in what appears in retrospect as a farcical comedy.

Any connection of railway tracks had to be authorized by the Railway Committee of the Privy Council. The Bulletin reported that such authorization had been made as early as the previous April 24th. Canadian Pacific officials, apparently, did not agree. On October 3rd, accordingly, the Canadian Pacific Company forbade Manager Pace of the Canadian Northern to remove material from the Calgary and Edmonton station to the point of connection. Telegrams back and forth apparently yielded no sign of Canadian Pacific Railway Company permission for the effecting of the junction. On October 6th, after Manager Pace and his men had already ignored a policeman armed with a warrant for his arrest, the Canadian Northern attempt to make the connection was foiled by the Canadian Pacific crew running an idle engine onto the point of junction while the men of the Canadian Northern looked helplessly on.

That afternoon, word from Strathcona that the Canadian Pacific were forcibly resisting any connection brought loads of Edmonton citizens upon the scene. Since there was





no sign of activity and Pace and his men had departed, the crowd after some time thinned out. Around 5:00, with apparently none of the Canadian Northern men around except for a relaxed Mr. Pace strolling about, the Canadian Pacific engine shunted north to make way for the scheduled train from the south, due in any minute. This brief interlude and a sharp whistle from Pace brought the Canadian Northern gang out of the nearby bushes, and before the engine could make it back, the rails had been lifted; within an hour, the connection had been completed and the inspection made. A rumour in Edmonton later that the Canadian Pacific men had torn up the tracks turned out to be false.<sup>1</sup>

This incident on the tracks of Strathcona called forth bitter denunciations of the Calgary and Edmonton and the Canadian Pacific Railway companies by the editor of the Bulletin, who claimed that it merely revealed the attitude of the two companies to the Edmonton spur. Although the line would be "of the greatest advantage to the people whose travel and traffic give the Calgary and Edmonton the largest part of its business," and though they ought to have built it themselves, yet when it was offered

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<sup>1</sup>Ibid., Oct. 10, 1902.



to them rent-free they refused to operate it. "That little episode of the guard train lets us know just where the C. and E. stand on the question of the operation of the extension to Edmonton," railed the Bulletin, "and just what we may expect from them."<sup>1</sup> Two weeks later when the Canadian Northern, having put in an engine and a train, complained that traffic intended for Edmonton was not being handed over to them and asked that this be done either in Edmonton or Strathcona, whichever inconvenienced the Calgary and Edmonton line, the Bulletin castigated the latter for this "attempt to hold up another company and block the extension of railway facilities for the benefit of the public in this part of the country."<sup>2</sup>

##### 5. The Train Crosses the River

"C.N.R. Train Crossed the Bridge at 3:45 To-Day," headlined the Edmonton Bulletin on Monday, October 10, 1902. So long had the townspeople worked for the railway "which visibly and actually connected the historic town on the north bank of the Saskatchewan with the busy, modern world,"<sup>3</sup> that when the great day came it seemed anticlimactic. "Never was there an event so long expected and

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<sup>1</sup>Idem

<sup>2</sup>Ibid., Oct. 31, 1902.

<sup>3</sup>Ibid., Oct. 10, 1902.





so long and earnestly worked for, and so impatiently awaited, which took place with less ostentation than the arrival of the first train in Edmonton," the Bulletin wrote.<sup>1</sup>

It was a day of victory for Edmonton, and appropriately the following Wednesday was declared a civic holiday. Proudly, the Bulletin harked back to a day "when President Van Horne is said to have stood on the opposite bank of the river and to have declared with all the authority of the man who had the country in his pocket that a railway would never run into Edmonton."<sup>2</sup>

With little effort, one can picture the honored engine--number "twenty-six"--puffing forward, behind it a coach, box car, and two flat cars bearing the citizenry of Edmonton who were taking advantage of the excursion to Strathcona junction. Proudly they rode through Mill Creek valley, drinking in the rustic scenery as it came into and receded from view. Even more exhilarating was the sight from the roof of the box car. Puffs of smoke signalled to curious viewers lining the top of the north bank the approach of the locomotive as it wound its way down to the flat, crossed the bridge and pulled into the Edmonton, Yukon and Pacific station below the old Hudson's Bay fort.

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<sup>1</sup>Ibid., Oct. 24, 1902.

<sup>2</sup>Ibid., Dec. 5, 1902.





Brought together dramatically in one view were the old and the new.

Adding to the air of celebration was the band of the fire brigade. That afternoon, for a twenty-five cent fare, a good proportion of the townspeople made the round trip, their first train ride across the North Saskatchewan River. For some it must have been their first train ride ever.

The Canadian Northern Railway announced themselves ready to commence regular service on the Edmonton, Yukon and Pacific line as soon as the Canadian Pacific Railway were ready to cooperate.

In the pages of the Edmonton Bulletin, a new item began to appear regularly--the first time card of the Edmonton, Yukon and Pacific Railway:<sup>1</sup>

#### EDMONTON, YUKON, & PACIFIC

##### Time Card, No. 1

Going South-	<u>lv. Edm.</u>	<u>arr. Str.</u>
3 trains daily	7:45	8:00
	13:15	13:30
	16:45	17:00
----North-	<u>lv. Str.</u>	<u>arr. Edm.</u>
	9:00	9:15
	14:15	14:30
	17:35	17:50

x-Train no. 1 conn. w. so. b. C.P.R.  
5 " " nor. b. "

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<sup>1</sup>Ibid., June 1, 1903.



Under the Edmonton, Yukon and Pacific charter, surveys were made west seventy miles to the Pembina River and north about ninety miles to the Athabasca River. Two years later, the parent company, the Canadian Northern, reached Edmonton with their transcontinental line, thus shortening the distance from the town to Winnipeg by 200 miles, and the town looked to the day when the completed line would offer more direct and shorter connections with the Pacific Coast.

The Canadian Pacific Company, who seemed belatedly to get interested in Edmonton lest the field be preempted by others, had located a line from Battleford to Edmonton as part of their northern railway. They were also seeking power to build an extension from ~~Edmonton~~ to the Calgary and Edmonton line under the charter of the latter Company which they had purchased.

The Grand Trunk Pacific had also applied for a charter to extend their eastern network across the continent by way of the Saskatchewan valley within five years.

The Canadian Northern Railway, furthermore, had just closed an agreement with the town of Edmonton whereby in consideration of a sixty-eight acre tract of land for yards, shops, and station, the Company agreed to maintain the principal yards and shops on its main line west in Ed-





monton. It was expected that a similar arrangement would be made with the Canadian Pacific Railway, and it was hoped to do the same with the Grand Trunk Pacific whenever that Company's scheme was far enough advanced.<sup>1</sup> It was clear that after a long, dark night a new day had dawned for Edmonton as a railway centre, the Bulletin emphasized.

### C. Rival Townsite "Booming"

Symbolizing and actualizing the threat to Edmonton and to Macleod of being side-tracked by the railway or stranded across the river from it was the presence across the valley of a new and rival townsite "doomed," so it was claimed, by the Calgary and Edmonton Railway Company. The Company's professed reasons for establishing new townsites were the impracticability of the established site for future operations of the railway (Macleod) and engineering difficulties and expense involved in crossing the deep and wide valley (Edmonton). Much more convincing to the Company's detractors were the less worthy motives of desiring to make a large profit by securing the largest possible stake in the property of what was hoped would become the new centre of trade and business or the intention to force

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<sup>1</sup>Ibid., Mar. 12, 1903.





the property-owners in the established site to cut the Company in for a large share in the property before consenting to build their line into the old site.

### 1. Calgary

Calgary was the first of the three established centres to face the possibility of a new town site as a result of the building of the Calgary and Edmonton Railway. The act of incorporation had stipulated that the Company was to build its railway "from a point on the line of the Canadian Pacific Railway Company, within the town of Calgary."<sup>1</sup> The alert Mayor Lafferty, nevertheless, wrote to the Calgary Herald two weeks before sod-turning, urging the need for united action by Calgary property-owners and for organization to reap the advantages of the Calgary and Edmonton Railway. He called for a meeting to form a Board of Trade and recommended that industries be bonused.<sup>2</sup> The wisdom of the mayor's advice became apparent just three days after Calgary's "gala day" when the Herald called attention to reported offers by land-owners

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<sup>1</sup>Statutes of Canada, 53 Vic., Cap. 84, assented to 24th Apr., 1890.

<sup>2</sup>Calgary Herald, July 11, 1890. The editorial made reference also to "expenditures during construction [which] will enrich us and benefit us very much."



east of the Elbow River to the Canadian Pacific Railway and to the Calgary and Edmonton Company to establish the station there, thus booming a new townsite. The Herald vigorously defended vested interests.<sup>1</sup>

Within a few days it was known that the Calgary and Edmonton Company had complied with the letter of the charter by locating their junction with the Canadian Pacific line barely within the town limits, nearly two miles from where most of the money had been invested in town property and business.<sup>2</sup> A report circulated that the two railway companies and certain land-owners in the vicinity of the proposed junction were "about to unite to boom a rival Calgary" in spite of the fact that

it would involve a direct violation of the tacit agreement entered into with the inhabitants of Calgary when the CPR placed the townsite on the market; that it was on the strength of this being THE townsite that all our municipal expenditure had been made, and taxation incurred; that thousands of people have made their homes here, that outside and home capital has been invested in Calgary milling companies, electric light works, water works, blocks of buildings and various other public and private improvements and that capital has come in for investments in town lots and other forms.<sup>3</sup>

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<sup>1</sup>Ibid., July 24, 1890.

<sup>2</sup>"The Calgary and Edmonton comply with the terms of their charter by entering the bounds of the corporation of Calgary, and no more. The junction will probably be 200 feet within the boundary, . . ." Ibid., July 30, 1890.

<sup>3</sup>Idem





An aroused public meeting discussed the affair and possible courses of action. Such "an outrage of the grossest and most detestable character," the Herald stated, must be "nipped in the bud" or the people of Calgary "may wake up to find that they have all this time been merely stool pigeons for the wide awake gentlemen who expect to reap where they have not sown."<sup>1</sup> The Herald took frequent potshots at the "land speculators beyond the Elbow" and the "designs and selfish schemes of a handful of land-owners east of the Elbow."<sup>2</sup>

The first town in Calgary had been established on both sides of the Elbow River where it joins the Bow. As the Canadian Pacific Railway line neared that point, the first shanty town was built east of the Elbow and property was changing hands at high figures for it was thought that at this point the future north and south road must cross the Canadian Pacific Railway. The latter, however, established their station and townsite some two miles west of that point, and almost the whole town moved over to the new site. Now, seven years later, the Calgary and Edmonton Railway Company located its junction and yards east of the Elbow, ignoring, it was charged, the interests of in-

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<sup>1</sup>Idem

<sup>2</sup>Ibid., Sept. 10, 1890.





vestors in the Canadian Pacific townsite which amounted to millions of dollars. Calgarians were now faced with the prospect that the Canadian Pacific Railway might locate their roundhouses and shops, which were about to be removed from Gleichen and Canmore to Calgary, at the junction site. In an effort to prevent this from happening, the town offered to the Canadian Pacific Company a public park west of the town with exemption from taxation for twenty years on all improvements on the condition that the divisional points and repair shops would be moved to the old site.<sup>1</sup> This attempt, as the Herald saw it, of two railway companies in league with private speculators to violate the spirit while obeying the letter of their charter and agreement was "only headed off after a great deal of excitement and fluctuation of values had occurred."<sup>2</sup>

## 2. Macleod

Before the conclusion of this affair, which menaced established interests in Calgary, citizens of both Edmonton and Macleod had seen indications of similar threatening situations--without the guarantee which Calgary possessed that the Company must locate their line "within" the town, not merely "at or near" the town.

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<sup>1</sup>Ibid., Sept. 10, 1890.

<sup>2</sup>Ibid., Dec. 26, 1895.



During the late summer of 1890, the Macleod Gazette began to grow suspicious that the Calgary and Edmonton Company did not intend to bring their road into Macleod. The usual claim for government protection was made but with special vigor by Macleod residents since Macleod had been established as a government site and included a large amount of government property which would be rendered valueless should the town be ignored in favor of a rival townsite.<sup>1</sup>

As with Calgary, any future move would not be a first experience for Macleod. The security of government backing induced residents in 1884 to remove to the new site on the south bank of the river "only to find now when their investment might reasonably be expected to become of value that they are to receive no protection and will probably have to remove again." It seemed unfair that what they had "waited for and looked for for years should be the means of ruining them when it did come."<sup>2</sup> There were no engineering difficulties in coming into Macleod; the town, furthermore, was on the direct route to the south. "The government . . . will surely step in," reasoned the

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<sup>1</sup>Macleod Gazette, Sept. 25, 1890.

<sup>2</sup>Ibid., Sept. 25, 1890.





Gazette editor, "and require the Calgary and Edmonton Railway . . . to respect the interests of one of the oldest established and one of the principal towns in the Northwest."<sup>1</sup>

By the summer of 1891, a year before the Calgary and Edmonton line reached Macleod, a new town site had been established three miles away on the north bank of the Old Man River, and the Calgary and Edmonton Company were endeavouring, at no great cost to themselves, to induce residents to move across the river to the new site. The Macleod Gazette reported an arrangement between the Calgary and Edmonton Company and Messrs. Browning and Monty for the purchase of the latter's property in return for a half share in proceeds from sales of lots.<sup>2</sup> By this time, sufficient heat had been generated that the editor of the Gazette referred to a suggestion that "the committee [about to negotiate with the Calgary and Edmonton Company] had bodily sold themselves to the devil--or rather we should say, to the C. & E. Co., although really the terms seem synonymous in the minds of some citizens of this town."<sup>3</sup> Considerable hostility was being directed also

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<sup>1</sup>Idem

<sup>2</sup>Ibid., Oct. 9, 1891.

<sup>3</sup>Ibid., Aug. 11, 1891.





against the Federal Government who had "inveigled citizens into Macleod under false pretenses."<sup>1</sup>

Macleod citizens were in for a hard struggle with James Ross of the Calgary and Edmonton Company who insisted that Macleod simply "did not suit [the] purpose [of] future railroad building in the district" and that the Company "would establish a townsite at their terminus across the river, where the station, roundhouse and other permanent works would be built."<sup>2</sup> Throughout 1891 and 1892, Macleod officials called public meetings and sent representatives and deputations to Ottawa with futile requests for government aid. Bitter references were made to earlier "promises" by Ross and Nanton of the railway entering Macleod, and meetings were held with Ross, Mackenzie and Mann. The Gazette argued that the whole object of building the Calgary and Edmonton line--colonization and the effecting of a junction with American lines--was being frustrated. Macleod citizens listened to glowing descriptions of the future role of the new townsite in the plans of both the Canadian Pacific and the Calgary and Edmonton companies, and they offered conditions on which they would move. They accused the Calgary and Edmonton

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<sup>1</sup>Idem

<sup>2</sup>Ibid., Oct. 1, 1891.





Company of showing no interest in the old town, of offering no inducements for moving, of breaking promises and of using such unworthy tactics as conniving to remove the post office from the old town<sup>1</sup> and reserving lots for eastern investors to give a false impression that land was moving in the new site, and of encouraging outsiders to believe that residents of Macleod wanted to move.

By the summer of 1892, however, it was clear that residents of old Macleod were determined to remain with the old townsite. Interest was being focused on the advantage--in terms of cash remaining in Macleod--of continuing to rely on the overland freighting traffic from Lethbridge, thirty-two miles away. As signs increased that growth in the new townsite would be slow and that the townsmen were remaining united and firm it seemed that the old town was holding its own in the "Battle of Macleod."<sup>2</sup> The decision of the Citizens' Committee to "fight this railway company to the end"<sup>3</sup> was being vindicated, it seemed. The consensus of the people was that the Calgary and Edmonton Com-

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<sup>1</sup>Ibid., Aug. 25, 1892. A Mr. Campbell, who was also the agent for the Calgary and Edmonton Railway Company in the new townsite, had corresponded with the government concerning the removal of the post office to the new townsite. A public meeting acted to prevent such a removal.

<sup>2</sup>Ibid., Aug. 18, 1892.

<sup>3</sup>Idem





pany must eventually come across. The newspaper report of a citizens' meeting where the final decision was taken to boycott the new town was headlined:<sup>1</sup>

Unanimous at Last--Citizens Decide to Stand or Fall Together

The legacy of the stubborn clash between Macleod and the Calgary and Edmonton Railway Company could not but be bitter feeling. Suggestive was a letter which appeared in the Gazette in the summer of 1892:

Dear Mr. Editor:

. . . I would suggest "Monte Carlo" as an appropriate name for it; it will not only perpetuate the name of the original worthy owner, but it is also suggestive of the spirit of speculation and greed which creates it, bringing profit chiefly to the bankers, and loss or ruin to others; as truly as "Monte Carlo" is a disgrace to Europe, so is this Macleod townsite business to Canada. To complete the similarity in both cases the scandal is countenanced and backed by the Government.

Remember Edmonton,

Yours,  
Jericho.<sup>2</sup>

The Citizens' Committee expressed the feeling also in a letter to the Gazette:

8 years ago induced by the Federal Government to remove from the old town of Fort Macleod, we are now threatened with ruin and extermination by a body of men composed of James Ross, also Hammond, Nanton and others calling themselves the Calgary and Edmonton

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<sup>1</sup>Ibid., Aug. 18, 1892.

<sup>2</sup>Ibid., July 28, 1892.





Railway Co. . . . We decided . . . to fight this railway company to the end.<sup>1</sup>

Bluntly, the editor of the Gazette wrote almost a year later:

We know that the one and only reason for establishing a townsite across the river was with the view of making a few thousand dollars for James Ross and his pals, and it was a matter of no concern to them that if they succeeded, it would ruin us.<sup>2</sup>

For the Edmonton Bulletin, of course, the whole "Macleod affair" reinforced its opinion as to the unreliability both of the Calgary and Edmonton Railway Company and the Federal Government to have any care for the needs of the people.

### 3. Edmonton

The third of the well-established trade centres on the line of the Calgary and Edmonton Railway to experience the competition of a rival company town for the business and trade of an area was Edmonton. Grudging respect for the men behind the Calgary and Edmonton Company was indicated by this statement in the Edmonton Bulletin in the fall preceding the arrival of the railway:

The influence of the C. & E. Company will undoubtedly be used in favor of their own town site, and their influence--wealthy and astute business men as they are--may count for a great deal. There is no doubt that

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<sup>1</sup>Ibid., Aug. 18, 1892.

<sup>2</sup>Ibid., May 19, 1893.



their interest lies in bringing as much of the business of the district as possible to their town site to increase the value of their lots, and as little that they will use every means to this end, no matter how disastrous such a result might be to the people whose business and investments are in this town.<sup>1</sup>

From the beginning, it was recognized that Edmonton was in a stronger position than Macleod in that the residents owned the land upon which the town and its surroundings sat. They were in a better position, therefore, to make a deal with the company, but as the Bulletin put it: "It is unpleasant to practically have the pistol put to one's head and know that if you do not give up a large proportion of your property the whole may be rendered worthless."<sup>2</sup>

By the spring of 1891, the Calgary and Edmonton Company had made a deal with certain landowners on the south side of the river, and a town was surveyed that summer. The agreement was signed by James Ross for the Company and was registered in the registry office in Edmonton. By it, said Oliver, who had read the agreement, several owners holding upwards of a thousand acres

covenanted to give Ross an undivided half interest in each of their properties, he in consideration therefor

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<sup>1</sup>Edmonton Bulletin, Sept. 27, 1890.

<sup>2</sup>Ibid., Sept. 27, 1890.





procuring the establishment by the Calgary and Edmonton railway company of a freight and passenger station on or within forty chains of said land, the station to be completed by July 1, 1892.<sup>1</sup>

The Company, in addition, were to be given right-of-way through any of the properties plus 13½ acres of station grounds. The costs of survey were to be split and any lands not divided were to be sold by a joint agent and the proceeds divided equally.<sup>2</sup>

Accepting the fact of the establishment of the new townsite, the Bulletin editor stated that the real fear of Edmonton, and the only point at which there could be any clash of interests, was that the Company might attempt to use its private influence to secure undue advantage in the location of the public offices or the construction of public works of any kind that would better serve the public interests by being located on the north side.<sup>3</sup> Threats were made, evidently, that such influence would be brought to bear on the government; representations were, therefore, made on behalf of the town as to the government's intentions. The Bulletin reported assurances given by Ottawa that the necessary government buildings would be built in Edmonton on a site already chosen, and that they would be

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<sup>1</sup>Ibid., July 18, 1891.

<sup>2</sup>Idem

<sup>3</sup>Idem





erected that very year, 1892. Wrote the Bulletin editor, "In view of these assurances, no attention was paid to the efforts of Osler, Hammond and Nanton, agents of the C. & E. Company, or of Mr. Anderson [government lands and timber agent] to secure the removal of the public offices to the south side."<sup>1</sup>

That these early fears were justified seemed to be borne out on June 20, 1892 when the usually prosaic fine-print front page of the Bulletin took on modern appearance with bold large-type headlines:

ROBBERS

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ATTEMPT TO STEAL  
THE LAND OFFICE

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BUT DON'T GET  
AWAY WITH IT

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THE SOUTHSIDE TOWNSITE  
OWNERS AND THE DOMINION LAND  
AGENT PUT UP THE JOB

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BUT THE CITIZENS PRODUCE  
CONVINCING ARGUMENTS WHY IT  
SHOULD NOT GO THROUGH

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<sup>1</sup>Ibid., June 20, 1892.

<sup>2</sup>Idem



ARE ABBOTT AND THOMPSON

A PARTY TO THE STEAL?

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THE AGENT SHOULD GO

NOT THE OFFICE.<sup>1</sup>

Edmonton residents, their suspicions already aroused, suddenly found themselves jolted out of the security of government promises and thrown into a position, they felt, where protection of their interests and future left no course open but the clear demonstration of their willingness, if necessary, to resort to violence should the government abandon them. The government, they were quite ready to believe, were not past doing this.

Edmonton had been its usual quiet self on Saturday, June 18, 1892. But from 3:00 in the afternoon until late midnight it was a most alive and excited place. The "boomers" of the south side townsite, alleged the Bulletin, with the connivance of the Dominion Government were attempting to remove the land and timber offices "for the purpose of assisting in booming the property of Osler, Hammond and Nanton there situated."<sup>2</sup> The response of the citizenry was a sudden and "unanimous outburst of public feeling."

In its review of the background to this latest in-

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<sup>1</sup>Idem

<sup>2</sup>Idem





cident in the quarrel between the town and the Calgary and Edmonton Railway, the Bulletin declared that the contractors had taken part of their pay for the construction of the railway in the town sites "that might be established at its several stations." Having refused all inducements to bring the line across the river, they had established a speculative townsite hoping to "use the name and prestige of Edmonton that the pioneers here had built up in years of toil and disappointment to boom their paper town and to ruin Edmonton if possible." One of the property owners with which the Calgary and Edmonton Company arranged for a half interest in their land was the timber and land agent, Thomas Anderson "or his son," and on his claim the station had been located and the bulk of the improvements made. Thus it came about that the government land agent in Edmonton became an enthusiastic backer of the new town site along with the Calgary and Edmonton Company and its associates.<sup>1</sup>

Having in mind the assurances reportedly given by the government to the people of Edmonton so recently, one

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<sup>1</sup>Idem. Col. Denny, a contemporary of the event, assigns responsibility for the attempted removal of the land office to the "new town's citizens" who were determined to attempt its forcible removal to the south side." Op. cit., p. 276.





can easily understand the astonishment, indignation, and forceful reaction of Edmonton citizens to the sight of "the books loaded on the drays." Within minutes, an alarm had been sent all over the town, an angry crowd had gathered around the office, and nuts were being taken off the wagon axles and horse unhitched. The land agent, meanwhile, had secured the assistance of two policemen who, under the circumstances, were not able to do anything, the wagon being incapacitated. Telegrams were sent to all the members of the cabinet as well as to Members of Parliament from the Northwest, to the Prime Minister and to Sir Donald A. Smith of the Canadian Pacific Railway. That evening, a mass meeting of citizens took place on the street in front of the land office. Another team of horses was unhitched from the wagons and driven across the river to the south side, where they were tied up. Resolutions of the meeting were telegraphed to Ottawa. A citizens' guard, though replaced by a police guard that night, continued protecting the property throughout the weekend. Citizens that night burned Anderson in effigy.<sup>1</sup>

Superintendent Griesbach arrived from Fort Saskatchewan with twenty policemen on Monday morning. By this

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<sup>1</sup>Idem





time, the mayor and Justice of the Peace of Edmonton had called out the home guard formed in the 1885 rebellion.<sup>1</sup> By 1:00 in the afternoon, nearly every able-bodied man in the town--most of them armed--was at the land office. Not until 4:00 was peace restored.<sup>2</sup>

Unknown to Edmontonians, a visiting inspector of land agencies had given notice to Mr. Anderson that he was authorized to "remove his office to a box car which had been leased from the railway company, pending the completion of an office then under construction, but the purpose of which was, till then, unknown."<sup>3</sup> This, at least, was the version of the Edmonton Bulletin. The government ex-

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<sup>1</sup>Hughes sees in the whole incident another example of the tactlessness of early Edmontonians. As well, she sees the humorous side. "Notably in 1893, they had defied a departmental order to move the Government land office across the river and after an exciting comic-opera insurrection with a Home-Guard, guns and Mounted Police in evidence, they brought the Ottawa Government to terms. All of which was soothing to local pride, but disastrous in terms of Government grants." Op. cit., p. 356.

<sup>2</sup>Newton, the Anglican missionary who resided in Edmonton at the time, refers to this event as an example of the weakness of the authority of the Dominion Government and its inability to enforce its own orders. "When, in 1891, he writes, "it attempted to remove its land office across the Saskatchewan to the railway terminus, an armed crowd of men and boys successfully resisted the order, and that in the open daylight." Op. cit., p. 86.

<sup>3</sup>Edmonton Bulletin, June 20, 1892.





planation of the action after the ugly incident was that the removal was temporary and merely "to suit the convenience of new settlers" coming to the south side and who had been complaining of the distance and cost of getting to the land office. Anderson was declared innocent of any ulterior motive, and assurances were given that the government's permanent land office would be located in Edmonton.<sup>1</sup>

Despite such assurances, however, the Bulletin must have voiced the feelings of Edmontonians in insisting that the affair was "a side scheme put up by the local agent, the inspector of agencies and the minister of the interior at the instigation of those very slick gentlemen, Osler, Hammond and Nanton."<sup>2</sup> Favoring this interpretation of the events was the fact that no due notice had been given to people on the north side of the intended removal. If the temporary removal was for the convenience of incoming settlers, asked the Bulletin editor, why was not the office removed to Peace Hills, where there was a large influx of new settlers? He asserted flatly:

It was attempted in order to boom Osler, Hammond & Nanton's town site. To enhance the value of town lots by creating the impression that the government was about to repeat the Regina experiment and pour out hundreds

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<sup>1</sup>Idem

<sup>2</sup>Idem





of thousands on public buildings to boom the property of a few men.<sup>1</sup>

This interpretation of the affair was concurred in by other western newspapers, among them the Calgary Tribune, Calgary Herald, Battleford Herald, Winnipeg Commercial, and several others.<sup>2</sup> In connection with this event, Newton refers critically to "land speculators who go unpunished for their thievery."<sup>3</sup>

Whatever the correct explanation of the real intentions, the response of the Bulletin and the citizens of Edmonton and the sympathy they gained for their cause from other centres is an indication of the attitude toward the Calgary and Edmonton Railway Company and its backers, promoters, and agents.

An interesting side effect of the Calgary and Edmonton Company's "booming" of a townsite rival to Edmonton was the spirit of competition that arose between the two towns, exemplified in the events related above.<sup>4</sup>

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<sup>1</sup>Idem

<sup>2</sup>"As it now stands the people of Canada, including those of Macleod and Edmonton are being taxed to give financial aid to a railway company that is in its own interests ruining the pioneers of those two places." Ibid., July 14, 1892, quoting Lethbridge News.

<sup>3</sup>Newton, loc. cit.

<sup>4</sup>Denny writes that the rivalry between the "ancient centre of the fur trade" and "the new town site [which for





The South Edmonton Plaindealer apparently made certain claims for the town on the south bank, namely that it was the "first city in Alberta," and that it was the "permanent terminus" of the Calgary and Edmonton Railway. In response, the Bulletin replied with an editorial headed "Take Off Your Hat; Here Comes South Edmonton."<sup>1</sup> In satirical tone, the Bulletin suggested the name "Terminus" for South Edmonton and offered Edmonton as future pasture and picnic grounds for its southern rival. Envisioning a future day, he went on:

And when the children of the editor of what will then be the city daily ask, "Pa, what is this place?" you can reply, "My child, this once was Edmonton but it died . . . for want one end of a railway."<sup>2</sup>

That the experience with the Calgary and Edmonton Railway had put Edmonton on its guard is evident from the objection taken later to the vagueness of the terms of the charter of the Edmonton District Railway Company which proposed that the station and grounds be located within the

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a number of years] promised to outgrow "the former, on several occasions threatened to pass the bounds of law." Op. cit., p. 276.

<sup>1</sup>Edmonton Bulletin, May 31, 1897.

<sup>2</sup>In 1902, the editor referred to relations between Edmonton and Strathcona with the words "no love lost." Further, "on no point was the feeling of hostility more pronounced than in the matter of a railway bridge." Ibid., Oct. 24, 1902.





town of Edmonton somewhere. This was not precise enough, went the criticism. The station could be placed so as to menace the existing business interests as had been attempted by the Calgary and Edmonton Company in Calgary. So little confidence did the Bulletin place in that Company that the editor warned:

The C. & E. and C.P.R. companies which are so careless about railway extensions in this quarter may awaken any day to the possibility of speculation in a new town site on the Saskatchewan, and run a branch to some other point and boom a town there.<sup>1</sup>

To this question of the clash between the interests of settlers and those of the railway company, the Hon. Mr. Boulton referred when he said in the Senate:

"All through that western country the object of the railway companies is to get all the advantages to be derived from the town sites. . . . It has been a very burning question out there . . . in other localities where the same thing has occurred."<sup>2</sup>

That the government recognized the errors of the past in not protecting existing interests is implied in

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<sup>1</sup>Ibid., Dec. 26, 1895.

<sup>2</sup>Debates and Proceedings of the Senate of Canada, 2nd Sess., 8th Parl., 1897, p. 468. Statement by Mr. Boulton, June 4, 1897.





a statement made by a government spokesman in an interview in Battleford in 1892:

No railway or other corporation would be allowed to injure old towns for the purpose of establishing new ones, and that where charters are applied for to pass "at or near" a town the words "or near" shall be stricken out. Bona fide companies should be able to state in their applications for charters the exact points they intend to touch, and particularly so in respect of their terminals.<sup>1</sup>

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<sup>1</sup>Edmonton Bulletin, July 11, 1892, quoting the Battleford Herald.



## VII

### EARLY OPERATIONS

Reference has been made to the first through train to arrive in Edmonton over the completed line of the Calgary and Edmonton Railway. The first time table of the Calgary and Edmonton Railway showed a mixed train running between the two centres twice weekly, leaving Calgary every Monday and Thursday and departing from Edmonton every Wednesday and Friday. The time of departure in each case was 7:00 A.M. and the time of arrival 7:00 P.M. The time required for the 191-mile trip was twelve hours.

Train service from the beginning through 1892 proved to be excellent, according to the Edmonton Bulletin. With the completion of the southern extension to the Old Man River in November of 1892, however, an added burden was put upon the single train that had been serving the Edmonton-Calgary run. Where formerly it ran 800 miles weekly--that is, two round trips between Calgary and Edmonton--now it was required to cover 1200 miles a week--that is, two round trips between Edmonton and Macleod. By 1893, in addition, the through traffic and way freight over the line between Edmonton and Calgary had increased. Frequent





delays also occurred due to snow storms on the newly opened Calgary-Macleod extension. With the increased mileage, there was no time to make up for the delays. By the summer of 1893, the Calgary and Edmonton trains were arriving in South Edmonton later in the evening by an hour and a half and leaving earlier in the morning by three-quarters of an hour in order to make connections with the new Canadian Pacific main line schedule.<sup>1</sup>

One train was being made to do the work of two, the Edmonton Bulletin contended, and the effect upon the service offered was unfortunate. Where previously one could complete a business trip in three days by catching the Monday train from Calgary and returning by the Wednesday train from Edmonton, for example, five days were required under the new time table. The longer mileage, increased traffic, frequent delays, and slow rate of travel resulted in irregular and undependable service.<sup>2</sup> The Macleod Ga-

<sup>1</sup>Ibid., Apr. 9, 1894. When in the winter of 1893-4, the attempt at making close connections with the Canadian Pacific Railway at Calgary was abandoned and the Calgary and Edmonton train allowed to run on its own time, railway service proved satisfactory again.

<sup>2</sup>Ibid., Sept. 7, 1893. The article spoke of "two sickly trains a week that jolt along at a ghastly funeral trot." The common question in Edmonton every Monday and Thursday, declared the Bulletin, was "How late is the train?" The rule of the C. and E. or "Catch me Easy line," apparently, was to pull into Edmonton anywhere from two to four hours late. See also ibid., June 19, 1893.





zette, too, was complaining that fall of trains "generally" coming in anywhere from three to six or seven hours late and "never by any chance . . . on time."<sup>1</sup> The Gazette laid much of the blame on the Canadian Pacific main line trains coming in late and forcing the Calgary and Edmonton trains to wait.<sup>2</sup>

The Edmonton Bulletin expressed fears that failure to improve service on the Calgary and Edmonton would seriously retard progress and noted that

passengers from the east complain that the most wearying part of their journey is that from Calgary to Edmonton, with its slow time, tedious delays, inconvenient meal hours and late arrivals, especially if delayed.<sup>3</sup>

Two years later, the Bulletin claimed that although the Edmonton country had received in the years from 1892 to 1894 a larger immigration than "any other section of Can-

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<sup>1</sup>Macleod Gazette, Sept. 29, 1893.

<sup>2</sup>Passenger coaches attached to slow-moving freight trains were being used to help provide needed passenger service. Edmonton Bulletin, Apr. 9, 1894. It was not unknown that first-class passengers were compelled to ride in baggage cars or to stand on the platform. Once two car loads of passengers were held for hours behind time so that a cattle car might make a connection. The service provided in 1891 for 200 miles of line was being made to serve 300 miles four year later when the country between Calgary and Edmonton was being settled up and the two centres had greatly increased in population. Ibid., Apr. 25, 1895.

<sup>3</sup>Ibid., June 19, 1893.



ada," it was not getting its share of men, of money, and of enterprise needed to buy alternate railway sections and to start industries. The reason given was that railway service from Calgary had been "of such a nature as to deter any man who was not compelled to come north from coming."<sup>1</sup> Seven years later, a similar complaint was heard:

It is safe to say that hundreds have passed through Calgary this season bound both east and west, a very large proportion of whom have been deterred from visiting North Alberta simply by the reports they have heard of the character of the train service.<sup>2</sup>

Within three short years the service on the Calgary and Edmonton line had become a by-word and began to attract the attention of would-be poets who found in the experience of a ride on the Calgary and Edmonton train a fertile theme upon which to exercise their budding talent:

Over the C. and E.<sup>3</sup>

(by a regular passenger)

Ho! let her go--she's off at last, we arn't so late to-  
night.  
An hour and forty all you say? By God! That's out of  
sight.  
And here she goes, and there she rolls, a playing  
pitch and toss,  
While Luggin by the track rides on, and keeps up with  
his horse.

<sup>1</sup>Ibid., Apr. 25, 1895.

<sup>2</sup>Ibid., Aug. 18, 1902.

<sup>3</sup>Ibid., Sept. 11, 1893.





The C. & E., you never heard I reckon, who they are  
The "nicest, nearest lot," I'll bet that ever run a car.  
The C. & E., why bless your heart, the "catch me easy  
line  
That never broke its record yet, by coming in on time.

You mind how once we ran a race with Farmer Jones'  
steer,  
And the blessed boiler nearly burst, for the thing ran  
like a deer.  
How Dan who drove the engine jammed the valve right  
open wide,  
But couldn't choke the creature off, which kept close  
by our side.

The C. & E., that line we love, with love that does not wear.  
Whose rates are low, whose motto, "by monopoly we swear."  
No don't complain, if things are not, just suited to your mind.  
They'll answer, "you be hanged," or "Then, get out and shove behind."

Naturally the effects of irregular service were felt on the mail delivery. The Calgary and Edmonton Company had been subsidized at the rate of \$80,000 annually for twenty years from completion of construction to carry government mails, men, supplies and materials. By the fall of 1893, the Bulletin was comparing the Calgary and Edmonton mail service unfavorably with that provided by stage coach before 1891, both as to punctuality and as to cost to the government. The Macleod Gazette found good reason for complaint on this score; since there was no mail clerk on the Calgary-Macleod line a letter mailed from Macleod to New Oxley had to pass through the latter point





and on to Calgary where it was sorted, then sent out on the next south-bound train. The result was that it took fifteen days before a writer could get a reply. The Gazette estimated that a letter mailed Tuesday at Midnapore for High River went south on Wednesday, passed through the latter point to Macleod where it lay till Saturday; thence it went north through High River again to Calgary, from where it went back south and was delivered the following Wednesday at High River. To reach its destination thirty miles away, the letter was carried 230 miles, and instead of requiring one day it took seven or eight days for delivery. The justice of the editorial call for a mail clerk and mail car on the southern route is clear to the modern reader.

The Calgary and Edmonton telegraph line, too, came in for a good deal of criticism from the press. Beginning in 1894, complaints began to appear in the papers and continued sporadically throughout the period under consideration in this paper. The Bulletin of January 29, 1884 disparagingly compared the Calgary and Edmonton line with the Dominion telegraph line which came into Edmonton from the east via Fort Pitt. This line, installed in 1879, had practically never been down since being put up. The reason for the superior service of the line, according to the Bulletin, was the use of twice as many posts and of heavier gauge wire. In those days when the Calgary and Edmonton





line went down, it remained down until the train crew came along on its regular run and fixed it. By 1897 it was being reported that the line was worn out due to poor construction initially and because of hasty repairs. Another cause for criticism was that messages were held in Calgary while the Calgary and Edmonton line was down rather than forwarding them from Qu'Appelle via the Dominion telegraph line.<sup>1</sup>

A continual cause for complaint which the Calgary and Edmonton Railway shared with all other railways were the freight rates. Of course, since the Canadian Pacific Railway were responsible for the rate charges inasmuch as they operated the line, this criticism was not justly directed at the Calgary and Edmonton Company--although press and Parliament (members from the West, that is) argued that the over-bonding of the companies compelled high freight rates in order that the Calgary and Edmonton share of the profit might be sufficient to cover the six per cent interest payment on the bonds. The Bulletin called the rates prohibitive. The rate on potatoes was 72½ cents a hundred from Edmonton to Lethbridge. The charge on grain was 30 cents per hundred pounds for fifty miles.<sup>2</sup>

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<sup>1</sup>Ibid., Jan. 29, 1894.    <sup>2</sup>Ibid., Sept. 11, 14, 1893.





It was charged that because of excessive freight rates, trains were coming back to Edmonton with two or three cars empty each time, and that these cars could and would be filled if reasonable rates prevailed. Merchants, for example, could then afford to buy local farm products such as grain, hay, and potatoes and ship them whenever there was a demand for them.<sup>1</sup>

Contributing also to the lack of freight on the Calgary and Edmonton line, according to the Bulletin, was the poor service. . It took six weeks for cars leaving Edmonton to reach the market in the Kootenay mining country compared with the three weeks required to reach the same destination from Portage la Prairie. The Edmonton district, consequently, was not able to compete, said the Bulletin, with such points as Spokane or centres in Manitoba. The Canadian Pacific Railway were "too stingy" to put on an extra train when required to keep up with the traffic."<sup>2</sup> Extra cars accumulated in Calgary till there were enough for a special train.<sup>3</sup> The Bulletin cited an instance when "a whole train of freight and passengers had been delayed in order that the train might be used to distribute fence

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<sup>1</sup>Ibid., Sept. 11, 1893.

<sup>2</sup>Ibid., Mar. 16, 1897.

<sup>3</sup>Ibid., Apr. 25, 1895.

<sup>4</sup>Ibid., Mar. 16, 1897.





rails."<sup>1</sup> Trains were delayed also while crews repaired telegraph lines. The Edmonton-Macleod run required two trains but was being served by only one train, argued the Bulletin, "barring a few specials which are sent out from time to time."<sup>2</sup> Such poor service was due to an "ill-judged desire to keep down running expenses."<sup>3</sup>

All through these early years, the Canadian Pacific Railway Company continued to insist that the Calgary and Edmonton line was being operated as "a losing part of a great and paying system," but the Bulletin claimed that the Calgary and Edmonton line was showing a handsome earning in the annual reports submitted to the Department of Railways and Canals. Agreeing with a point frequently made by the Bulletin was a "settler" who contended in a letter

that the C. & E. was one of the cheapest built roads in America. Further that at the present moment, no other short line, belonging to, or leased by, the C.P.R. is working with so little expense, and whose net profits are so large.<sup>4</sup>

That the already tarnished image of the Canadian Pacific Railway in the eyes of northern Albertans was further marred by that Company's operation of the Calgary and Edmonton

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<sup>1</sup>Ibid., Mar. 16, 1897.

<sup>2</sup>Ibid., June 19, 1893.

<sup>3</sup>Idem

<sup>4</sup>Ibid., Sept. 14, 1893.



line is indicated by the Bulletin's comment:

It is no carping criticism to say that the reputation for enterprise which the company deservedly enjoys throughout the greater part of the country is not supported by their administration of the Calgary and Edmonton branch, and has not been since it was first taken over. It has been a paying road from the start, and never paid so well as now or had as good prospects of paying well.<sup>1</sup>

The issue of freight rates was basic in the Northwest for it was at this point that settlers and merchants were most affected, and on the "excessive" rates was laid much of the blame for the retardation of settlement and development in the Northwest. Though in retrospect it can be seen that other factors independent of the railways were mainly responsible, these less visible, more distant causes were ignored and the railway was made the scape-goat. The issue is too large, complicated, and has too many implications to be dealt with here in any detail. The Calgary and Edmonton Company, furthermore, was only indirectly involved in the quarrel. It was, nevertheless, in the rates charged over the Calgary and Edmonton line that northern Albertans personally confronted the freight rates issue, and here all the charges and counter-charges can be seen close at hand. Freight rates were held partly responsible for slow development in the Edmonton district,

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<sup>1</sup>Ibid., Mar. 16, 1897.





for discouraging agricultural growth, and for hurting the competitive position of the district in the Kootenay market.

Various solutions to the problem of high freight rates were offered by the Bulletin. It was argued that lower freight rates should be made the condition of subsidies to railways, or that rates should be limited to six per cent of the cost of the railway minus subsidies. Control of freight rates on the Crow's Nest Line was seen as a great victory for the settler over the railway monopoly and as an outcome of persistent agitation such as that directed against rates on the Calgary and Edmonton line. No aspect of railway operation comes in for such frequent discussion in the Bulletin over such a long period as does that of freight rates.

The volume of criticism of the service offered on the Calgary and Edmonton line which never remained silent for long reached a crescendo in the year 1902--one year before the purchase of the line by the Canadian Pacific Railway Company--when record-breaking floods played havoc with the badly deteriorating roadbed, ties, rails, and with the telegraph line. Washouts were occurring all along the line. Western members were up in arms in the House of Com-





mons debates over the failure of the Calgary and Edmonton line and its sister line, the Qu'Appelle line running from Regina to Prince Albert, to serve the needs of the people.

The Calgary and Edmonton Company were apparently unwilling or unable to get money from bondholders to pay the cost of repairs to the road. The Canadian Pacific Railway refused under the nature of their arrangement with the owning company to accept responsibility for the upkeep of the road. The complaints in the Bulletin and the Gazette in 1902 and 1903 call to mind the session of Parliament four or five years previously when the Qu'Appelle line was under heavy and bitter attack for permitting their railway to deteriorate into such a condition that railway service was impossible for weeks.<sup>1</sup>

The Bulletin complained in 1902 that there had been no mail service on the Calgary and Edmonton for some ten days due to a break in the road resulting from a wash-out. Even though there had been an engine both north and south of the break, the Canadian Pacific Railway had refused to hire teams to transfer the mail and passengers, charged

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<sup>1</sup>See Debates of the House of Commons, 3rd Sess., 8th Parl., 61 Vic., 1898, p. 4250; 4th Sess., 9th Parl., 4 Edw. VII, 1904, p. 2761, 2782.



the Bulletin editor. On one occasion, passengers had been compelled to leave the train and walk into Strathcona from the point where a break had occurred three miles south of the station. The mail, however, was reportedly left there and finally delivered almost two days later. Another train had gotten to Innisfail and had been forced to turn back to Calgary.<sup>1</sup> The Bulletin, as well as Members of Parliament, were calling upon the government to dock the Calgary and Edmonton Company a proportion of its annual subsidy in case of such delays. A report out of Calgary stated that "there are heavy washouts between here and Olds, on the C. & E. north and also on the C. & E. south."<sup>2</sup>

The poor condition of the line resulted in several accidents in the period from 1897 to 1903. In August of 1897, a "sun-kink" in one of the rails threw an engine and most of the cars into the ditch near Carstairs. Concluding its account of the incident with a touch of humor, the Gazette noted that although they had jumped clear, "the engineer and fireman had freight cars chasing them all over the prairie."<sup>3</sup> Late that fall, about five miles from Mac-

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<sup>1</sup>Edmonton Bulletin, June 6, 1902.

<sup>2</sup>Ibid., July 7, 1902.

<sup>3</sup>Macleod Gazette, Aug. 13, 1897.





leod some cars had stuck while crossing a bridge and broken loose from the rest of the train. While the engine, which went on to Macleod, was returning for the rest, the stranded cars were cracked into from behind by another freight train. Though again the engineer jumped clear, the fireman was killed. About the same time of that year, the bridge across the Old Man River gave way and three cars plunged into the river beneath.<sup>1</sup>

Another somewhat humorous incident occurred when a train, half way down the hill at West Macleod, struck snow and ice, and the front trucks of the engine were thrown off the tracks. The engine ran along to the Y-track with the driving wheels following the main line. The Gazette described what ensued:

Relations between the front trucks and the drivers were thus somewhat strained, and as no means have yet been devised of running part of an engine on one track, while the other end goes chasing across the prairie on another something had to drop. The engine parted company with the tender, and went into the ditch crossways of the Y. . . . Engineer Hamil stuck to the engine, the fireman taking a header through his window into a snow bank. The curious thing about the accident was that the tender and the rest of the train went on past the engine into the station, and no one knew that anything had happened, the trainmen who saw the engine not thinking it was their own.<sup>2</sup>

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<sup>1</sup>Ibid., Nov. 26, 1897.

<sup>2</sup>Ibid., Dec. 10, 1897.





At White Mud Creek, ten miles south of Edmonton, a north-bound train had been wrecked and eight cars were smashed and broken and had carried the bridge away as they fell. Rails for two hundred yards were torn up and ties broken. Miraculously, there were no fatalities. Though the cause was unknown, it was guessed that spreading rails might be responsible.<sup>1</sup> Several accidents had occurred at a point one and a half miles south of Lacombe, where there was a steep grade with a turn at the bottom so sharp that the train had to slow down very considerably or else it would almost surely leave the track. At one time, six cars had been hurled into the ditch and their contents wrecked. The Bulletin concluded: "The CPR will soon waken to the fact that a few dollars spent on the C. & E. roadbed will be a profitable investment."<sup>2</sup>

It was claimed that the Calgary and Edmonton Company, which was responsible for the maintaining of the roadbed, had never properly ballasted the road and had never adequately repaired the damages which occurred. The lack of natural drainage, furthermore, had permitted the water to accumulate and to undermine the ties and what lit-

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<sup>1</sup>Edmonton Bulletin, June 1, 1899.

<sup>2</sup>Ibid., July 20, 1903.



tle ballast there may have been. Eyewitnesses described a place near Leduc where there was no ballast at all, where pools of water sat on either side of the roadbed undermining the bed, where the ties were hanging to the rails by means of the spikes, and where stems of poplar trees had been driven down to prevent the ties from swinging round. Rails were bent and curved beyond any hope of straightening them out again. One work train on 190 miles of road was trying unsuccessfully to keep the road in running condition. The description noted: "That is not an unfair sample of the condition of the roadbed in several places."<sup>1</sup>

The Bulletin reported on July 18, 1902 that a train which had left Calgary at 10:00 A.M., Tuesday did not reach Olds--sixty miles distant--till 10:00 P.M. and arrived in Edmonton at 7:00 Wednesday. Passengers were unable to tell what the cause was other than overloading and faulty arrangements. Another train required twenty-one hours to reach Calgary.

Owing to the volume of business out of Edmonton, a request was made for the establishment of a telegraph office, a ticket office and a bulletin board in the town. Trains were sometimes leaving early or considerably behind

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<sup>1</sup>Ibid., June 9, 1902, quoting Calgary Herald, n.d.





schedule without Edmontonians being made aware of the fact in advance.<sup>1</sup>

The resulting frustrations of travel on the Calgary and Edmonton line inspired one more piece of unsophisticated rhyme which appeared in the Bulletin:<sup>2</sup>

You may talk of broncho-busting and the pleasure that  
you get,  
When your broncho starts to buck you to the stars.  
You may joy in shooting rapids (thrilling game but  
rather wet,  
Especially when you stick upon the bars.)  
You may revel, too, in every sport that's strenuous and  
rough,  
From football to canoeing in the sea,  
But there's something which when once you've tried,  
you'll think it quite enough:  
That's a railway journey down the C. & E.

For you're jolted and you're battered and you're ping-  
ponged to and fro.  
And you're not sure when you're running off the track,  
And the engine evidently doesn't know which way to go,  
If it ought to push on forward or crawl back.  
And you feel the whole concern is nearly falling into  
bits,  
And you climb on top and, Heavens! what d'you see?  
Why, the rails behind are shaking just as if they'd got  
the fits!  
And no wonder for they're on the C.& E.

Oh it's fun to watch the engine bravely swimming up a  
creek,  
Or laboriously plugging through a slough,  
And it's comforting to hear the pale conductor madly  
shriek,  
That he doesn't know what the devil he's to do!  
And at last when you've concluded that the fare's a bit  
too rich,  
And a walk outside would suit you to a T,

<sup>1</sup>Ibid., July 18, 1902.

<sup>2</sup>Ibid., June 27, 1902.





You suddenly discover that you've landed in a ditch--  
Oh, that's the time you bless the C. & E.

--W.H.S. in Old's Oracles.

An echo of the poet's complaint is found in the  
prose account by a touring Nova Scotia minister who wrote  
from Edmonton:

To begin, the railroad from Calgary to Edmonton is almost as bad as the old corduroy. . . . You cannot read the train paper nor can you write home letters when you ride to Edmonton. You need your hands free to "hold on" when the cars careen around curves and rush over the straight stretches to the villages and towns built by the pioneers. . . . The cars are always crowded on the out-bound trip, and the train is always a long one and it is never on time and the fare of travel is four cents per mile. . . . Strathcona is reached before sunset (nine o'clock) and Edmonton is still north of us and reached by the most tortuous bit of rail in existence.<sup>1</sup>

That the Calgary and Edmonton Company, not the Canadian Pacific Railway, was held responsible for the condition of the road is indicated by this Bulletin editorial:

The Company seemed to think that they are under no obligation in the matter. . . . The fact that the line is not operated by its owners makes no difference to the public. That does not shift the responsibility. The C. & E. Company received the bonuses and should be held responsible for the service. If that company cannot operate its own road, it should sell out to a company that can.<sup>2</sup>

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<sup>1</sup>Rev. P.M. Macdonald, Letters from the Canadian West, Pamphlet (Truro: Chronicle Publ. Co., 1903), pp. 18-19.

<sup>2</sup>Edmonton Bulletin, June 30, 1902.





It was not to be long before the Calgary and Edmonton followed that suggestion and an end was made of the unfortunate arrangement which inevitably resulted in less than adequate service to the country.

In connection with the operation of the Calgary and Edmonton line, one is naturally curious to know whether, in fact, the traffic over the line resulted in a profit or a loss to the owners and lessees of the railway. A study of the official annual reports submitted by the Calgary and Edmonton Company to the Department of Railways and Canals reveals that from its first full year of operation in 1892, the Calgary and Edmonton Railway grew at a steadily increasing rate by all measurements. The relatively low total of 3,996 passengers in 1892 had increased  $2\frac{1}{2}$  times by 1895, doubled again by 1899, tripled yet again by 1902; by 1903 the total number of passengers carried was 92,612--twenty-three times that of 1892.

Comparable rates of growth can be shown for freight and for gross and net earnings. Freight measured in tonnage grew from 7,155 in 1892 to 169,869 in 1903, an increase of twenty-four times.<sup>1</sup> Gross earnings stepped up

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<sup>1</sup>Accounting for most of the freight carried were manufactured goods, livestock, grain, and lumber.





from the \$49,737 for 1892 to \$698,255 for 1903, a fourteen-fold increase. Profits which stood at \$16,949 for the year 1892 had risen to \$277,651 for the year 1903--an increase of nearly seventeen times. Somewhat in excess, then, of a quarter of a million dollars was the profit shown on operations in the year 1903.

When one considers that about \$250,000 was needed annually in addition to the \$80,000 government subsidy in order to pay the interest on roughly \$5,500,000 of bonds, and when one realizes that the annual profit from operations was split between the lessees and the owners according to an agreement between the two companies, it can easily be seen why the holders of Calgary and Edmonton Railway bonds were receiving little by way of interest payments. From 1892 to 1897, full interest payments were made out of the original amount deposited with the bankers in England. After 1897, however, when the deposit had been exhausted, interest payments had to come out of the annual subsidy plus the Calgary and Edmonton Company's share of the earnings.

In 1899, net earnings totalled \$86,127. Just how much of this amount would go to the Calgary and Edmonton Company is not clear. Interest paid to bondholders in





1899, at any rate, would be between  $1\frac{1}{2}$  and 3 per cent instead of 6 per cent. In 1903, when profits topped a quarter of a million dollars, the interest payments would be much higher. If it was to this fact, that is the failure of the line to earn enough to meet full interest payments, that the Calgary and Edmonton Company owners and Mr. Osler were referring when they claimed that the Company was losing money, then the claim is understandable. Those representing the interests of the people, convinced that the Company was drastically over-bonded, held that the Company was showing a good profit.

By 1902, traffic and profits had risen to the point where by contrast with earlier unwillingness to undertake the expense involved in extensive repairs of a lasting nature, directors of the Company reported to bondholders at the annual meeting:

Although the expenditures for putting the roadbed in proper shape will be very heavy, the directors consider that owing to the large number of settlers going in along the line and the large increase in general business, the company will be in a fair position to meet these expenditures.<sup>1</sup>

The Sessional Reports show that the Calgary and Edmonton

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<sup>1</sup>Edmonton Bulletin, Oct. 27, 1902, quoting the Financial News, London, report of the annual meeting of bondholders of the Calgary and Edmonton Railway Company.



Company, by this time under Canadian Pacific ownership, did in fact spend \$420,603 on the line in 1903, and of this amount about one-half was spent on line and building maintenance.

A comparison of the operations and earnings of the Calgary and Edmonton with three other railways of comparable length over the period from 1892 to 1903 provides an indication of the relative profitability of the line.<sup>1</sup>

The rate of increase in both traffic and earnings was steady though not spectacular for the Calgary and Edmonton Railway until 1898 when there was a sharp climb in all significant statistics for the year's operations.

By comparison with the Qu'Appelle Railway, the results of operations on the Calgary and Edmonton line were impressive. Although beginning operations later, and therefore handling less traffic and grossing less in its first full year of business, the latter line quickly outstripped its sister road in every significant criterion of success. By 1902, for example, the total net earnings of the Calgary and Edmonton line for eleven years exceeded

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<sup>1</sup>See Summary Statements, Annual Reports of Department of Railways and Canals. Sessional Papers, 1893-1904. All statistics in the following discussion are based on these reports.





\$1,100,000. Total net earnings for the Qu'appelle line over the same period were about \$100,000.

Even though it was not until 1898 that the gross earnings of the Calgary and Edmonton Railway for the year reached that of either the Manitoba and Northwestern or the Northern Pacific and Manitoba, yet its net earnings were always incomparably higher than that of the latter line and were almost always considerably greater than that of the former line.

In proportion of earnings (gross) to working expenses, the Northern Pacific and Manitoba Railway never topped 101.<sup>1</sup> The corresponding figures for the Qu'Appelle line and the Manitoba and Northwestern line were 133 and 137 respectively. The proportion for the Calgary and Edmonton line, by contrast, was never lower than 150 for any single year and in 1898 reached 222. "The earnings per train mile of the C. and E. railway for the year ending June 30th [1900] were larger than those of any other Canadian road with an equal mileage," reported the Bulletin.<sup>2</sup> A study of the reports submitted to the government reveals that the Calgary and Edmonton line was consistently one of the more profitable operations among the railways of Canada.

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<sup>1</sup>Gross earnings divided by working expenses X 100.

<sup>2</sup>Edmonton Bulletin, Apr. 19, 1901.





## VIII

### RELATIONSHIP WITH THE CANADIAN PACIFIC RAILWAY

It has already been made clear that a close relationship existed between the Calgary and Edmonton Railway and the Canadian Pacific Railway, not only in the minds of the people but also in fact. The Calgary and Edmonton line naturally occupied an important place in the overall plans of the Canadian Pacific Railway Company, both as a feeder of its main line and as the means by which much of its vast grants of land in the north would be opened up and developed. It would serve also as a means by which competition from a rival line could be limited in the area concerned. The man most responsible, moreover, for arranging the financing of the Calgary and Edmonton line, E.B. Osler, was himself a member of the board of directors of the Canadian Pacific Railway Company of long standing.<sup>1</sup>

Indicative of the close relationship existing were the authorization by the government of an agreement be-

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<sup>1</sup>See Canadian Pacific Railway Annual Report for the Year 1885 (Montreal: Gazette Printing Company).



between the two companies, the two agreements actually signed by which the Canadian Pacific leased and operated the line of the Calgary and Edmonton Company, and the frequent discussions and negotiations leading toward purchase of the latter by the former.

The Calgary and Edmonton Railway, though one of the last of the colonization railways, made its appearance on the scene during the era when the Canadian Pacific Railway's control of the western field was still without serious challenge. Although the "monopoly clause" was cancelled in 1888, it was not till after the turn of the century that a serious challenger appeared to dispute the field with the Canadian Pacific Railway.

The legal basis for the arrangement with the Canadian Pacific Railway was provided in the act of incorporation of the Calgary and Edmonton Railway Company:

The company may enter into an agreement with the Canadian Pacific Railway Company for conveying or leasing to such company the railway of the Company hereby incorporated, in whole or in part, or any rights or power acquired under this Act, . . . or for an amalgamation with such company.<sup>1</sup>

A subsequent act spelled out in greater detail the nature

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<sup>1</sup>Statutes of Canada, 53 Vic., Cap. 84, assented to 24th Apr., 1890.





of the agreement authorized:

In order to facilitate such financial arrangements as will enable the Calgary and Edmonton Railway Company to commence and carry on the construction of the said railway without delay, the Company may agree with the Canadian Pacific Railway Company for the lease and operation of said railway in whole or in part by the latter Company for such period and on such terms as are agreed upon by the respective boards of directors of both Companies, and such terms may include the right of the latter Company to purchase the said railway in whole or in part, and the stock, bonds and securities of the former Company.<sup>1</sup>

During the following session of Parliament, the Canadian Pacific Railway Act was amended to authorize that Company to issue consolidated debenture stock

for the purpose of satisfying or acquiring obligations which the Company has entered into in respect of the acquisition, construction, completion, or equipment of the Calgary and Edmonton Railway, . . . provided that the amount of stock to be issued in respect of that railway shall at no time exceed twenty thousand dollars per mile thereof.<sup>2</sup>

The inclusion of such provisions as these "suggests the possibility that from the beginning the Calgary and Edmonton had been intended as a branch line" of the Canadian Pacific Railway.<sup>3</sup> To the editor of the Bulletin, the railway was "merely an extension of the C.P.R. system," and that what really compelled its construction was the "pressure of prospective competition, without which compe-

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<sup>1</sup>Ibid., Cap. 5, assented to 16th May, 1890.

<sup>2</sup>Ibid., 54-55 Vic., Cap. 71, assented to 10th July, 1891.

<sup>3</sup>Hedges, op. cit., p. 105.





tition there is no probability that the scheme would have taken shape for years yet." It was built, he emphasized, "to protect the interests of the C.P.R."<sup>1</sup>

At its annual meeting on May 14, 1890, the Canadian Pacific Railway shareholders unanimously passed a resolution authorizing the Company's board of directors to make an agreement

with the Calgary and Edmonton Railway Company, which will give this Company the right to hold and operate that Company's road from Edmonton to Macleod; and also the option within six years, or thereabouts, to purchase the properties and capital stock of that Company.<sup>2</sup>

The President of the Canadian Pacific Railway in his annual report had already pointed out that this railway, like the Qu'Appelle line, was of "essential importance" to the Canadian Pacific Railway in the fact that it would "make easily accessible large areas of your lands now too far away from railways to be available."<sup>3</sup> The lease was to be without cost to the Canadian Pacific who would work the road for six years--to July 1, 1896--under a guarantee by the owners against loss to the lessee.<sup>4</sup> The agreement included the

<sup>1</sup>Edmonton Bulletin, Aug. 2, 1890.

<sup>2</sup>Canadian Pacific Railway Annual Report for the Year 1889 and Report of Proceedings at the Ninth Annual Meeting of Shareholders, May 14, 1890.

<sup>3</sup>Idem

<sup>4</sup>Ibid., Year 1894, Apr. 3, 1895.





option to purchase "on satisfaction of the outstanding bonds of the C. & E. Company and a 10 per cent premium thereon."<sup>1</sup> This proved to be the first of three consecutive agreements by which the Canadian Pacific Company first leased, then purchased, the line.

Even before construction of the railway was completed,

the favorable opportunity had occurred whereby through the even exchange of Canadian Pacific four per cent consolidated Debenture Stock for the six per cent bonds of the Calgary and Edmonton Company, the railway of that Company might become the property of the Canadian Pacific Company free of interest charge for something more than ten years.<sup>2</sup>

The latter Company would, in addition, acquire the benefit of the annual subsidy of \$80,000 for the rest of the stipulated period of twenty years, plus a portion of the Calgary and Edmonton land grant. Negotiations continued for some time, but when it was ascertained that the bonds of the Calgary and Edmonton Company had become so spread about that it was impossible to obtain the needed unanimous consent of the holders, the matter was allowed to drop.<sup>3</sup>

The second agreement between the two companies for

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<sup>1</sup>Ibid., Year 1890, May 13, 1891.

<sup>2</sup>Idem

<sup>3</sup>Ibid., Year 1891, May 11, 1892.





the lease of the Calgary and Edmonton railway became effective when the first agreement expired on July 1, 1896. The Canadian Pacific Railway Company had decided not to exercise their option to purchase the line. In the draft agreement submitted to their shareholders on April 1, 1896, the Canadian Pacific Railway Company was named as "agent" of the Calgary and Edmonton Company in the operation of the railway for a further term of five years. This draft also provided for the "division and apportionment of tolls, rates, and charges in respect of such traffic" as should be interchanged between the railways of the two companies.<sup>1</sup>

The Canadian Pacific Railway would again operate the road without charge for general management or for interest on the value of the rolling stock used. By this agreement net earnings and government subsidies were to be applied to the payment of interest on Calgary and Edmonton bonds. Substantially the same agreement was drafted with respect to the Qu'Appelle Company. Both agreements were to run till July 1, 1901.

When this second lease expired in 1901, it was not

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<sup>1</sup>Ibid., Year 1895, Apr. 1, 1896. The C.P.R. was operating the line for "account of the owners, receiving in return the benefit of all the traffic in either direction between points" on the C. & E. line and those reached by the C.P.R. main line. Ibid., Year ending June 30, 1903.





renewed by the Canadian Pacific Railway. They continued to operate the road, however, on a month-to-month basis, notifying the Calgary and Edmonton Company that they would not operate it on the same terms in the future as they had in the past. If they were to continue to operate the road, they would require a long term agreement and, in addition, bondholders must scale down the interest rate on their bonds. The Calgary and Edmonton Company was now faced with a critical decision.

A meeting of bondholders of the Company was called in London, England to arrange for either the sale of the property or the future working of the line. E.B. Osler was disqualified from attending since he was also on the Executive Committee of the Canadian Pacific Railway Company, but this did not prevent him from reporting the view of the latter Company by letter with recommendations for action by the Calgary and Edmonton Company. Failing agreement with the Canadian Pacific Company, the owners would have to spend \$1,050,000 if they elected to operate the line. Of this amount, \$450,000 would be needed immediately. This was the year--1902--when the road had suffered serious damage by floods during the summer. To replace washed out bridges and culverts and to put the road-bed



in proper condition would take \$150,000. Car shops and rolling stock would cost \$900,000 at the lowest; of this amount, \$600,000 could be raised by means of a "car trust." Two or three branch lines stretching into the area northeast of Calgary would have to be built or the business of that region--hitherto supplying considerable traffic for the Company--would be drained off by a rival railway.<sup>1</sup>

The shrewd Osler, in his memo, took pains to warn the bondholders that "we cannot afford for the moment to lose sight of the fact that in any bargain we are likely to make with them they will take care of themselves,"<sup>2</sup> referring, of course, to the Canadian Pacific Railway. The Calgary and Edmonton line, he pointed out, was of great advantage to the Canadian Pacific Company for the throwing out of feeders to develop the 7,000,000 acres of their lands northwest of their main line. If no agreement should be reached, the Canadian Pacific must build their own line and, thus, lose valuable time before it would be gotten into operating condition. On the other hand

if they come to an agreement with us, they get a road which, from some points of view, might be in a better

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<sup>1</sup>Edmonton Bulletin, Oct. 27, 1902, quoting Financial News, London, report of the annual meeting of bondholders of the Calgary and Edmonton Railway Company.

<sup>2</sup>Idem





condition than it is but which, at any rate, is a very useful and workable road, and they will not forget in any negotiations that they have got in their hands at present, a property which it is not advisable for them to throw away; therefore we are not entirely at their mercy.<sup>1</sup>

Besides all this, Osler set forth that

there is such a thing as the Canadian Northern Railway and we also know that Mr. James Hill is not very far off the other side of the United States boundary, and that he has always had a desire to spread the ramifications of his roads into Canadian territory; therefore we are not absolutely hung up in the power of the Canadian Pacific authorities or that of any other company for that matter.<sup>2</sup>

The bondholders accepted the proposition of Osler that a committee be named to represent the holders of the debentures of the Calgary and Edmonton Railway Company, protect their interests, endeavour to make arrangements for the future operation of the railway, and advise the debenture holders as to the best course they should adopt. Among the committee of four named, with power to add to their number, was James Ross.

The outcome of the discussions was an agreement with the Canadian Pacific Railway under which the latter would lease the line for a period of ninety-nine years, guaranteeing in lieu of rental four per cent per year on

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<sup>1</sup>Idem

<sup>2</sup>Idem





the bonds. As the directors of the Canadian Pacific Railway explained to their shareholders, they had made this agreement in order "to prevent the possibility of the railway passing into unfriendly hands."<sup>1</sup> To ensure complete control of the property and franchises of the Calgary and Edmonton Company, the Canadian Pacific Railway Company also contracted to purchase all the capital stock of the Company for \$500,000 (face value of \$1,000,000).

To complete the acquisition of the Calgary and Edmonton Company, the Canadian Pacific Railway purchased between the years 1905 and 1912 all the first mortgage bonds of the former Company, a total of \$5,900,000. In 1905, the Canadian Pacific created and sold £1,406,575 of four per cent Consolidated Debenture Stock and applied the proceeds to the construction of branch lines and to the acquisition of the mortgage bonds of the Calgary and Edmonton and other companies. That year they acquired \$1,040,000 in Calgary and Edmonton bonds. A year later, another \$960,000 worth was bought. A further \$1,000,000 worth was acquired in 1909, bringing the total up to \$3,000,000. \$700,000 more were added in 1910, and finally in 1912 \$2,200,000 of the bonds were purchased to complete the

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<sup>1</sup>Canadian Pacific Railway Annual Report for the Year ending June 30, 1903.





Canadian Pacific Railway Company's takeover of the Calgary and Edmonton Railway Company.

By 1912, then, the Canadian Pacific owned the entire \$1,000,000 in Ordinary Stock and all the \$5,900,000 in First Mortgage Bonds. The Calgary and Edmonton Railway Company continued its corporate existence and its line continued to be operated by the Canadian Pacific on a ninety-nine year lease.<sup>1</sup> In its annual reports the Canadian Pacific Railway Company listed the Calgary and Edmonton Company as a "leased line." The rental figure shown for 1912 was \$218,357.

As to the relationship between the two companies, that of owner and lessee, whatever advantage there may have been in it for either company, the Edmonton Bulletin and other critics were convinced that it was an unfortunate one from the point of view of the people who depended upon the Calgary and Edmonton line for connection with the outside world. A situation where neither company would accept responsibility for ensuring that the road be kept in good condition created havoc.

The undesirability of the arrangement was considerably aggravated by the short-term nature of the agreements

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<sup>1</sup>The Alberta Railway and Irrigation Company remained "entirely separate and distinct" from the C.P.R., though the latter owned majority stock after 1912. Hedges, op. cit., p. 94.





of 1890 and 1896. It was this aspect of the relationship, as pointed out earlier, which ostensibly provided the grounds on which the Canadian Pacific Company refused to give any satisfaction to Edmonton's attempts to get a guarantee that the short spur into the town from Strathcona would be operated in the most efficient manner. A Member of Parliament commented in the debates of 1890 that it "was a curious arrangement."<sup>1</sup>

It would likely have been fortunate had the Canadian Pacific negotiations for the purchase of the Calgary and Edmonton line in 1891-2 been successful. Justification for this conclusion is afforded by the fact that there was a marked improvement in the condition of the line after the purchase of 1903. A western Member of Parliament spoke disparagingly of the condition the Calgary and Edmonton line was in "until a year ago when the Canadian Pacific Railway purchased it and commenced to make betterments."<sup>2</sup> Now they would operate the road properly in their own interests, but he bemoaned the fate of the Qu'Appelle line, which the Canadian Pacific Railway chose not to purchase.

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<sup>1</sup>Debates of the House of Commons, 4th Sess., 6th Parl., 53 Vic., 1890, p. 4437.

<sup>2</sup>Ibid., 4th Sess., 9th Parl., 4th Edw. VII, 1904, p. 2798.





## IX

### LAND GRANT

The Calgary and Edmonton Railway Company, like the other "colonization railways," received a federal land subsidy of 6,400 acres for each mile of railway constructed--1,880,000 acres for its 295-mile road between Edmonton and Macleod.

In the decade between 1884 and 1894, eleven colonization railways were granted 13,555,968 acres of Dominion lands in aid of construction of western railways considered important to the national purposes of Canada.<sup>1</sup> Almost one-seventh of this total went to the Calgary and Edmonton Company, which was one of the last railways so subsidized.<sup>2</sup>

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<sup>1</sup>The C.P.R. received 18,531,104 acres in subsidy. Altogether, then, 31,762,954 acres of land was given by the government in aid of western railway construction.

<sup>2</sup>The grant to the C.P.R. in 1880 provided the precedent for the subsequent grants to the smaller companies. The Canadian Pacific Railway was obviously of national importance to the Dominion. Its construction was necessary to the fulfillment of a promise made to British Columbia in 1873 as well as for the guarantee of national unity in the face of inevitable American expansion northwestwards into the last frontier. The development of the West presupposed railway connection with the East. In these respects, colonization roads differed greatly from the C.P.R.



As the amount of arable lands available for such reserves decreased, there was a mad scramble among the companies to have reserves assigned to them, particularly the choicer blocks of land. This rivalry among the companies was accompanied by bitter accusations of breach of faith hurled by the companies at the government. Confusion and disorganization resulted as when, for example, a reserve was assigned in southeastern Alberta which had already been set aside for another company some years previously. More than one company might be permitted to satisfy a portion of its grant from the same reserve.

Railway companies were not always eager to make their selections as expeditiously as possible where reserves had been set aside for them. Passage of time would increase the value of the land, especially after railway service was established or improved. There was nothing in the law, apparently, to compel the companies to select and ask for patents immediately upon earning the lands through construction. It was left thus to the government to see to it that selection and patenting proceeded as rapidly as possible.

Land granted but not patented was, furthermore, exempt from taxation. It was accordingly in the interest of the company to delay patenting until the moment sale





had been secured. A considerable saving would in that way accrue to the company at the expense of the settlers, who had to bear the full load of taxation for local services.<sup>1</sup> Large land reserves were, consequently, "locked up" by railway companies and made, in effect, unavailable to settlers. The Edmonton Bulletin emphasized that the development of a whole district was being held back by the existence of these reserves in the area. The "land-lock" was one of the burning issues of the day, one of the West's grievances against railway companies.

Perhaps the worst effect of the operation of the "fairly fit for settlement" clause was that reserves often were set aside at great distances from the line of railway of the company receiving the subsidy.<sup>2</sup> Several of the colonization roads had assigned to them large reserves in provinces other than where their major railway construc-

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<sup>1</sup>By 1896, two years after the last land subsidy was granted to a railway, only 1,825,423 acres had been patented out of the almost 32,000,000 acres granted. By 1906, 22,478,013 acres had been patented.

<sup>2</sup>The C.P.R. grant for a railway extending from Ontario to the Pacific Coast had to be satisfied out of the lands between Winnipeg and the Rocky Mountains since the Dominion Government had for disposal the public lands only of Manitoba and the Northwest Territories, out of which it had to find the 25,000,000 acres "fairly fit for settlement." This necessitated setting aside two large reserves in the north between the 52nd and 55th parallels of latitude, far removed from the main line belt.





tion occurred. Thereby the basic premise behind the policy of railway land grants--that the railway company would develop and settle the lands contiguous to its line in the interest of greater traffic--was sacrificed.<sup>1</sup>

A fortunate characteristic of the Canadian land subsidy policy was its flexibility and adaptability to peculiar circumstances.<sup>2</sup> In the lands of southern Alberta, for example, where lack of rainfall called for irrigation or where ranching interests prevailed, the usual grant of alternate sections gave way to grant of land "en bloc." Railway company sections were exchanged for government lands, arrangements being made, of course, with ranchers and with irrigation interests. The Calgary and

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<sup>1</sup>The C.P.R., for example, had little interest in pushing the development of its vast northern lands, far removed from its line of railway. Its interest was, rather, to wait and reap the benefit of the added value these lands would have whenever railway service was provided in the future. Shortly after the turn of the century, both the Canadian Northern and the Grand Trunk Pacific companies found themselves building lines of railway through lands owned by their rival, the C.P.R. The result was doubly ironic: The Canadian Northern was building a railway, the effect of which would be to increase the value of C.P.R. lands; the C.P.R. would not be anxious to sell lands cheaply and to encourage rapid development when its rival would stand to reap the benefit through increased traffic.

<sup>2</sup>The rigidity of the system south of the border, designed for the fertile lands immediately west of the Mississippi River, prevented its adjustment to the conditions and demands of the drier areas farther west.





Edmonton Company was involved in such adaptations of the system.

The colonization railway companies, such as the Calgary and Edmonton, came to be regarded by the Federal Government as their "accredited agents for the development of regions not reached by the Canadian Pacific."<sup>1</sup> Any decision as to whether the extension of the land subsidy policy to these companies was justified must consider mainly the immediate and ultimate disposition of the land subsidies--especially their role in the building of the railway and in the development of the country.

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<sup>1</sup>Hedges, op. cit., p. 84. "In part," he writes, "enthusiasm for general extension of the free grant to secondary railways was an expression of a growing lack of confidence in the colonization companies." These land colonization companies, which the government hoped would play a key role in the settlement of the West, were the "products of the brief period of optimism, expansion, and speculation in the West, which followed immediately upon the approval of the contract with the Canadian Pacific Syndicate in Feb., 1881." Ibid., p. 78. Twenty-six such companies received about 1,400,000 acres for 85¢ an acre. Altogether these companies put only 1,243 settlers on their lands. By 1882, it was clear that colonization land companies were a failure in their appointed task. The Edmonton Bulletin in 1886-7 was referring critically to the Edmonton and Saskatchewan Land Company whose affairs were then being wound up by the government. It charged the company with tying up land in reserves while waiting for land values to rise as the result of efforts of nearby settlers and, consequently, hindering the railway from coming through Edmonton. The failure of these land colonization companies helped prepare the way for the advent of the subsidized colonization railways whose right to purchase 3,840 acres of land from the government at \$1.00 per acre was converted into a grant in the manner of the C.P.R. grant.





While many features of the American system of railway land subsidies were carried over bodily into the Canadian system, a study by J.B. Hedges<sup>1</sup> reveals distinctive features in the Canadian policy, some of which are illustrated in the case of the Calgary and Edmonton land grant. Colonization railways in Canada, for example, were not obliged to accept any lands that were not "fairly fit for settlement." Although the significance of this clause was not apparently realized by the politicians at the time, promoters insisted on its inclusion, probably as a result of their experience in the United States where all alternate sections in a belt along both sides of the line of railway had to be accepted by the company with the result that much undesirable land was acquired.

Inclusion of the "fairly fit for settlement" clause may have induced some companies to build lines they otherwise would not have built. The difficulty, however, of agreeing on a practicable definition of the phrase is obvious. Government and railway companies often differed as to whether certain lands were "fairly fit for settlement." This difference, in several cases, dragged out the process of selecting and locating land grants over many years be-

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<sup>1</sup>Federal Railway Land Subsidy Policy, cited above.





yond the finish of construction.<sup>1</sup> It also involved various companies and the government in prolonged and bitter wrangle and in resort to the law courts. Both the Calgary and Edmonton and the Qu'Appelle companies disputed the quality of their land grant with the government. It was, in fact, in connection with the latter Company's grant that the promoters, Osler and his associates, filed a suit against the government. The process of selection of lands in Canada was made much more complicated than it had been in the United States, where assignment of alternate sections was automatic as these were "earned" by construction. Both company and government in Canada had surveys made to determine the extent of lands "fairly fit for settlement" in a given reserve, and their figures often differed widely.

Since alternate sections in a belt along the line of railway proved inadequate to provide 6400 acres of land "fairly fit for settlement" for each mile of railway, it was necessary to set aside large reserves elsewhere from which the company might select the balance of its grant.

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<sup>1</sup>The last acreage was not set aside for the C.P.R. until 1903, 22 years after the contract had been signed. Lands granted to colonization railway companies before 1896 were in many cases not "earned" through construction till many years later. Such lands were being "granted" through Orders-in-Council as late as 1907.





An Act of Parliament of May 16, 1890 authorizing the granting of subsidies in land to certain railway companies included a grant

to the Calgary and Edmonton Railway Company of Dominion Lands to an extent not exceeding six thousand four hundred acres for each mile of the Company's railway from Calgary to a point at or near Edmonton on the North Saskatchewan River, a distance of about one hundred and ninety miles; and also a grant of six thousand four hundred acres for each mile of the Company's railway from Calgary to a point on the International boundary between Canada and the United States, a distance of about one hundred and fifty miles.<sup>1</sup>

Of the 1,888,448 acres earned by late 1892, the Calgary and Edmonton Company had selected 1,757,826 acres by 1897. This latter amount had been "passed" or "granted" to them by the government. Still due to the Company but not yet selected by them were 130,622 acres. As the Minister of the Interior stated, however, these 1,757,826 acres selected had not been patented "except in some small individual parcels, as the company have not asked for patents."<sup>2</sup> In spite of this fact, the Company were still "enabled to exercise the right of ownership to their own advantage," in words spoken by Frank Oliver in Parliament. They were able to issue land grant bonds mortgaged on their

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<sup>1</sup>Statutes of Canada, 53 Vic., Cap. 4, 1890, assented to 16th May, 1890.

<sup>2</sup>Debates of the House of Commons, 1897, p. 2326.





land and also to lease their lands.

Aside from any desire by the Company to escape liability to taxation, there was disagreement as to whether a large portion of the grant which the government were about to patent to the Company fulfilled the terms of the contract. The Minister of the Interior stated:

It was claimed by the company that an enormous portion of the land . . . which had been, as I understood, and as the officers of the department understood, accepted by the company, had not been finally accepted and could only be accepted on terms which I was not, at the time, and am not now prepared to definitely accede to. It was claimed that this land was of an arid character, that it had not sufficient moisture to make it fit for settlement, and that is the question which more than anything else, retards the solution of the difficulty.<sup>1</sup>

The Minister, Hon. C. Sifton, went on to point out that there were a considerable number of water courses and springs in the territory which if evenly distributed would render the land "fairly valuable." It had been the department's policy for some years to reserve these water courses for public use, and over that question a difficulty had arisen between the Company and the government.<sup>2</sup>

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<sup>1</sup>Ibid., 1900, p. 621.

<sup>2</sup>This difficulty was not the first clash between the Federal Government and the men backing the Calgary and Edmonton Company. In connection with the land grant of the Qu'Appelle Railway Company--handled also by Osler and his associates--Sifton declared that "disputes arise all along the line." Idem. The respected historian J.B. Hedges con-





The land grant of the Calgary and Edmonton Company was to be located within a belt of twenty-two miles on each side of its line of railway, which indicated an attempt to confine the grant to the region tributary to the line of railway in accordance with the theory underlying the land grant policy. Since, however, the forty-four mile wide belt of the Company would pass through the forty-eight mile belt of the Canadian Pacific Railway's main line and through the block reserved for that Company north of the fifty-second parallel, it meant that the Calgary and Edmonton belt was only about forty miles from north to south, that is from about Innisfail to about Crossfield. If all odd-numbered sections were unoccupied, this area would yield about 563,200 acres, less than one-third of the total grant. It became necessary, consequently, to reserve other lands to supply the deficiency in the tract along the railway. The additional lands were, nevertheless, "reasonably

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cludes that "the men of the Qu'Appelle Company, more than those in other Companies, entertained an exalted conception of lands 'fit for settlement,' and to a greater degree, probably than other companies, were determined to drive a hard bargain with the Government." Op. cit., p. 101. The Company resorted to threats and to litigation before the Saskatchewan Valley Land Company purchased from them the lands they had all along rejected and "transformed 340,000 acres . . . condemned as worthless . . . into a thriving and prosperous area." Op. cit., pp. 101, 104. The experience of Osler and his associates regarding the Qu'Appelle grant was undoubtedly useful to the Calgary & Edmonton Co.





close" to the line of railway, "in marked contrast with the remote reservations of other companies."<sup>1</sup> One virtue, in fact, of the Calgary and Edmonton Railway as a colonization railway was that its acreage was selected "almost exclusively from the province which it was supposed to serve."<sup>2</sup> This basic principle of railway land grants was more often honored in the breach than in the observance.<sup>3</sup>

A feature of the Calgary and Edmonton grant which illustrates the flexibility of the Canadian railway land grant system was the transformation of a considerable part of the subsidy from a grant in alternate sections to a grant in alternate townships. So much of the area reserved for the Company grant was semi-arid, having been leased by the government to ranchers as grazing lands. These grazing leases were terminated by the government in an accommodation between the ranchers and the railway company by which the railway lands were sold to the ranchers at prices ranging

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<sup>1</sup>See Martin, op. cit., p. 288 and Hedges, op. cit., pp. 105-6.

<sup>2</sup>Morton and Martin, op. cit., p. 323.

<sup>3</sup>Of all the railways in the West subsidized by government lands, only three--Alberta Railway and Coal Company, Qu'Appelle line, and the C. & E. road--had the bulk of their lands located so as to give justice to the philosophy of the land grant system. Six railways with no mileage in Alberta received lands in that province, seven in Saskatchewan.





from \$1.00 to \$1.50 per acre. Ranches such as the Bar U and Cochrane were able to solve one of the rancher's perennial problems and gained permanency of tenure for a very stable and profitable industry.<sup>1</sup>

In the Calgary and Edmonton Company's disposition of its land grant, Hedges finds "an example of railway land policies at their worst."<sup>2</sup> Although the Company possessed lands in "one of the fairest portions of the West" and had an "admirable opportunity to perform an effective work of land settlement," there is no evidence that the Company undertook an active campaign to encourage the occupation of its lands.<sup>3</sup> Instead, it transferred its land subsidy--except for the "security lands"<sup>4</sup>--to a subsidiary company, the Calgary and Edmonton Land Company, which seemed to Hedges to have been "collusively organized."<sup>5</sup>

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<sup>1</sup>Morton and Martin, op. cit., pp. 323-4. Besides the C. & E. Co., the Alberta Railway and Irrigation Co. provided a stimulus towards successful ranching in southern Alberta by securing its land grant in solid blocks in semi-arid areas. To this feature of the C. & E. and A.R.I. grants, Martin refers as "another aspect of the much maligned land grant railway or land company which deserves a better reputation." Ibid., p. 442.

<sup>2</sup>Hedges, op. cit., pp. 122-3.

<sup>3</sup>Ibid., p. 123.

<sup>4</sup>The 407,402 acres retained by the government as security for the performance of the transport contract became the property of the C.P.R. in 1903 when it purchased control of the C. & E. Railway Company. This area was then administered by the C.P.R.'s Land Department.

<sup>5</sup>Hedges, loc. cit.





The Calgary and Edmonton Land Company, in turn, engaged the firm of Osler, Hammond and Nanton as agents for the disposal of the land grant.<sup>1</sup>

"A few of the colonization railways," notes Martin, "measured up to their opportunities in developing, if not in directly colonizing, the territories which they were supposed to open up."<sup>2</sup> Many colonization railways, however, "took the first short cut that presented itself and used their land grants without compunction to bolster up their waning solvency."<sup>3</sup>

Several companies "seem to have regarded the land grant from the outset as an end in itself, and turned it over to exploitation with motives and methods neither bet-

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<sup>1</sup>The C.P.R. resorted to this method although the great bulk of its grant was handled through its own land department, an unquestionably superior policy in that it properly kept the land grant subordinated to the interests of increased railway traffic, thus serving the good both of the settler and the railway company rather than the land company.

<sup>2</sup>Morton and Martin, op. cit., p. 321. A conspicuous example was the Alberta Railway and Irrigation Co., which "probably more than any other pursued with reference to its lands a policy which fairly accorded with the theory that a railway receiving a land grant would be actively interested in the settlement and development of its lands." Hedges, op. cit., p. 121.

<sup>3</sup>Morton and Martin, loc. cit. Two Manitoba companies used their land grants as security for the issue of land warrants endorsed by the Federal Government which entitled holders to locate lands anywhere within the entire reserve set aside for the companies.





ter nor worse than those of the average frontier land company.<sup>1</sup> For them, the technique of the colonization railway

became the most promising contrivance yet devised for getting lands cheap and in large quantities from the government. This desperate rivalry for land grants, beginning with premature incorporation and a mad scramble for eligible land reserves, and passing through all the conventional stages of broken contracts and rival interests undermining each other's concessions from the government, filled a whole decade with turmoil and controversy.<sup>2</sup>

Hedges points out that in order that there should be wise administration of a land grant the railway company must be a "legitimate common carrier; the carrying of goods and people must be its chief concern."<sup>3</sup> He explains:

Too often these small companies subordinated their functions as railways to their landed interests, with the result that the lands were disposed of in the easiest way possible, and quite without regard to the manner in which the railway or the public would be affected.<sup>4</sup>

The Calgary and Edmonton Railway Company was certainly one of the several colonization railway companies which were in reality "land companies as well as railway companies, and . . . stockholders appear to have attached almost as much importance to the one as to the other in their effort to maintain their solvency."<sup>5</sup> The sales policies of the land companies to which they had turned over

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<sup>1</sup>Idem

<sup>2</sup>Ibid., P. 277.

<sup>3</sup>Hedges, op. cit., p. 122.

<sup>4</sup>Idem

<sup>5</sup>Morton and Martin, op. cit., p. 322.





their grants "had as little perhaps to do with the parent railways as with their rivals in the field of transportation."<sup>1</sup>

The agents of the Calgary and Edmonton Land Company, Osler, Hammond, and Nanton, were one of the best known business houses in Canada. They had helped to launch several of the colonization railways and appeared as agents for the sale of the lands which these railways had earned. In 1902, the land department of the firm offered for sale lands owned by several companies, including the Calgary and Edmonton Company. Not one of the companies which the firm represented conducted an active campaign for the early sale and colonization of their lands. They trusted that the purchaser would come to them and seldom actively sought the buyer. "This passive policy had the distinct advantage of enabling the company to reap the benefit of enhanced prices resulting from the sale and settlement of adjacent lands."<sup>2</sup>

In the case of the Calgary and Edmonton land grant, the appearance of exploitation is reinforced by the "anomalous" relationship of Osler, Hammond and Nanton to the land company. They were connected with the railway company which received the land grant; they were also associated

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<sup>1</sup>Ibid., p. 305.

<sup>2</sup>Ibid., p. 153.





with the land company organized to exploit the railway's land subsidy; finally, they acted as agents in the sale of the land company's holdings.

In 1904, the firm advertised for sale 600,000 acres of the Calgary and Edmonton land subsidy.

They administered these lands in a thoroughly conservative manner. They were in no haste to sell, and their policy was that of the land company interested chiefly in the financial return, rather than that of a railway company, desirous of the traffic resulting from rapid sale and settlement of the land. Not only did they hold the land at a higher price than Canadian Pacific lands of the same quality, but they sold them on terms distinctly less liberal than those governing the sale of Canadian Pacific land to settlers.<sup>1</sup>

Whether the railway land grant system in Canada is vindicated in the case of the Calgary and Edmonton Company depends upon the answers to two questions. Did the land grant contribute to the construction of the railway? And to what use was the land ultimately put--did it serve in the interests of settlement and development? An earlier discussion compels a qualified "yes" answer to the first question.<sup>2</sup> It is more difficult, however, to find an answer to the second question. On the basis of evidence,

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<sup>1</sup>Ibid., p. 321.

<sup>2</sup>"There can be no doubt, . . . that financial support in Great Britain was attracted very largely by the prospects of the land grant." Ibid., p. 322.





though, an attempt must be made.

The most northerly of the Calgary and Edmonton lands was located about twenty miles south of Red Deer. This block included about fifty townships (576,000 acres in odd-numbered sections), and extended roughly from township 28 to township 34 in range 25 west of the 4th meridian to range 5 west of the 5th meridian. South of Calgary, the Company owned apparently all the odd-numbered sections unclaimed in a belt about twenty miles wide on each side of the line of railway, extending southward from the southern edge of the Canadian Pacific Railway mainline belt to the International Boundary.<sup>1</sup>

Of the 1,888,448 acres granted to the Company, 407,402 acres were held as "security lands" by the government. The balance of 1,481,046 acres were available for patenting when once selected and patent was requested. Figures submitted in the House of Commons in 1904 revealed that at that time the total area patented to the Company was 1,139,699.59 acres. The amounts patented to various parties were:<sup>2</sup>

Calgary and Edmonton Land Company.....	792,979.69	acres
Assignees of the C. & E. Land Company.	12,510.17	"

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<sup>1</sup>Edmonton Bulletin, May 30, 1891.

<sup>2</sup>Debates of the House of Commons, 4th Sess., 9th Parl., 4 Edw. VII, 1904, p. 2779.





James Ross.....	41,130.91	acres
Assignees of James Ross.....	505.10	"
Osler, Hammond and Nanton.....	25,140.79	"
Calgary and Edmonton Railway Company.....	215,856.74	"
Nominees of the Railway Company.....	51,576.19	"
	<u>1,139,699.59</u>	acres

To whom the remaining 341,000 acres--not yet patented--were eventually assigned is not indicated in the available evidence.

The Calgary and Edmonton Land Company Limited was incorporated by the Territorial Government with head office in London, England. The business of the Company was to be carried on in Winnipeg. Charles D. Rose was President of the Company as well as one of the four directors. The other three directors were Ernest Chaplin, London; George Grinnell Milne, Toronto; and E.B. Osler, Toronto.<sup>1</sup>

Records of land sales by the Calgary and Edmonton Land Company Limited show that between 1893 and 1930 the Company sold 1,576,929 acres for \$9,460,156, which averages out almost exactly to \$6.00 per acre. The grant included much grazing land which was sold at from \$1.00 to \$1.50 per acre. The average of \$6.00 per acre was not conspicuously high; in fact, it was considerably lower than the average of \$9.46 obtained for land sales by all the colonization

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<sup>1</sup>Ibid., pp. 2791-2.





companies, the Canadian Pacific Railway and the Hudson's Bay Company combined.

The best years for Calgary and Edmonton land sales were from 1901 to 1906, when almost 1,000,000 acres were sold, or over 60 per cent of its total grant. During the two-year period from 1902 to 1903, over 35 per cent of the grant was sold. One-fifth of the grant--almost a third of a million acres--was sold in one year, 1902.

The average price paid per acre in the period from 1901 to 1906 for Calgary and Edmonton lands was \$3.86 per acre. The gross average price by contrast in the relatively inflationary period from 1914 to 1918 was \$17.34.

"Neither acreage nor price," however, "throws much light upon the net results for permanent settlement," notes Chester Martin.<sup>1</sup> Figures are for gross sales only; cancellations and revestments do not show up. Average prices, too, are deceptive. The relatively meagre proceeds for the 19th century are not really comparable to those of the 20th century. Much of the rise in prices is simply a reflection of inflation. After these "boom" periods, cancellations and revestments would be comparatively high. Subsequent disposals of land to third and fourth parties, ranging from

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<sup>1</sup>Morton and Martin, op. cit., p. 309.



land companies to private speculators and actual settlers, are "vitally important" aspects in the question of the results for permanent settlement but are not possible to determine. The judgment of those who have studied the question most closely is that in their work of promoting settlement, the Calgary and Edmonton Company--like most of the colonization railways--did not justify the grants of land made to them. The oft-repeated charge by the Edmonton Bulletin that the Calgary and Edmonton Company's policies were holding back settlement and development appears less biased in the light of the more recent conclusions of such competent historians as J.B. Hedges and Chester Martin.

Owing to the manner in which railway companies acquired possession of their lands, a local grievance of considerable intensity arose in the Northwest. By law, landowners were obligated to pay local taxes on their lands to cover part of the cost of such improvements and services as roads and schools. As long as lands had not been patented to the owner, however, such land was not liable to taxation. Railway companies, therefore, such as the Calgary and Edmonton Railway Company, who had lands granted to them and had earned and selected the lands--who were in effect exercising the privileges of ownership--were not paying local improvement taxes. In the eyes of the settler, this was a





gross injustice and the Calgary and Edmonton Railway Company and other companies were the targets of much criticism both in the press and in Parliament on this account. Attempts were made by western members of Parliament to see that such lands as had been earned should be immediately patented and subjected to their fair share of taxation.

By 1899 the Calgary and Edmonton Company, for example, had earned, selected and had passed to them by government Order-in-Council 1,757,826 acres (including the 407,402 acres of security lands), yet none of these lands except some small individual parcels had been patented to the Company since they had not asked for patents.

A concrete example of the effects of these unintended tax exemptions can be seen in the presentation by Oliver during the House of Commons debate on the subject in 1900. He stated that in the district of the Calgary and Edmonton land grant along the line of railway between the Canadian Pacific main line and their first northern reserve, there were then about ten school districts in operation. Each of these districts contained about twenty-five sections of land, of which about eleven belonged to the Calgary and Edmonton Company. No taxes were being paid on these lands by the Company although the school districts had notified the Company each year of the tax due and of





the sitting of the court of revision. The standard answer received from the Company by the secretary of the school district concerned was that the lands were not liable to taxation and should not be on the assessment roll.

It was calculated that the total amount of exemption enjoyed by the Company in the ten school districts amounted to \$1,320. In a district where all the sections were occupied, a settler would pay \$6.00 annually in school tax; where only ten or twelve sections were occupied, the cost went up to \$12.00 annually for settlers. But if the Company's lands were taxed, it would cost each settler only \$3.75 a year to operate a school.<sup>1</sup>

Besides the tax for schools, there was a local improvements tax of \$2.50 per quarter section. The tax exemption of the Calgary and Edmonton Company in this case amounted, the Bulletin reckoned, to \$160.00 per township or \$1600 in the ten statutory labour districts under discussion. Thus, the Company was escaping \$2,920 in taxation and adding that amount to the burden borne by the settlers in the area.<sup>2</sup>

Western members pointed out the effect of this situation in keeping taxation rates high and in discouraging

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<sup>1</sup>Edmonton Bulletin, Mar. 2, 1900.

<sup>2</sup>Idem



prospective immigrants. In speaking of the role which railway companies could play in the development of northern Alberta, the Dominion immigration Agent at Edmonton reported in 1898 that

when their lands pass into individual control, and become taxable, we may hope to overcome many difficulties which are at the present moment retarding both industrial and social progress, not the least of which is the existence of these untaxable and unoccupied railway lands.<sup>1</sup>

The editor of the Bulletin argued that though the railway grants were not exempt from taxation by law, yet they were in practice since the government did not give the deed of transfer (patent) until the purchaser had selected his land. He called this arrangement a "collusion or secret understanding between the government and the company,"<sup>2</sup> and concluded: "This is simply a swindle upon the settlers affected, perpetrated by the government which was supposed to make the interests of those settlers its first care."<sup>3</sup>

Aggravating the situation was the practice of the railway companies of using an agreement of sale by which lands were not passed to the purchaser until the final payment was completed. In statutory labour and school dis-

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<sup>1</sup>Sessional Papers, No. 13, Report of the Agent of Dominion Lands at Edmonton for the Year 1898, Jan. 2, 1899.

<sup>2</sup>Edmonton Bulletin, July 27, 1896.

<sup>3</sup>Idem





tricts, some settlers were paying taxes and some--those still making payments for their land--were not.<sup>1</sup>

What appeared especially unjust was that these lands were listed by the Company and appeared on their maps as their lands with the result that they were entitled to issue land grant bonds on these lands as well as to lease the lands. When it happened, as Mr. Sifton pointed out, that the high costs borne by comparatively few settlers had even forced the closing of schools, the situation was particularly galling to the settlers.<sup>2</sup>

In 1900 the government promised its support to any municipality or school board or local improvement district ready to make the taxation of railway lands a test issue before the courts.<sup>3</sup> A court in Regina later handed down a decision concerning the taxation of Hudson's Bay Company lands in local improvement districts. The result was an out-of-court settlement whereby the Company paid taxes for local improvements. The Canadian Pacific Railway had also begun paying such taxes. Mr. Osler even claimed in Parliament that the Calgary and Edmonton Railway Company were

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<sup>1</sup>Ibid., July 6, 1900.

<sup>2</sup>Besides, the Hudson's Bay Company were paying taxes on their lands.

<sup>3</sup>Edmonton Bulletin, Apr. 12, 1901.





willing to pay taxes; it was the government's fault that they were not.

A highly significant development arising out of the land grant to the Calgary and Edmonton Railway Company was the legal action taken by the Calgary and Edmonton Land Company against the government reservation of mines and mineral rights from the patents issued to the Company.

Crown rights to gold and silver had been claimed from the beginning and successfully vindicated. The policy, however, with respect to baser metals had been less clear. Land regulations issued on September 17, 1889, therefore, specifically reserved mines and minerals in Crown patents issued for railway lands as well as other categories. Those railway subsidies authorized and earned prior to the adoption of the new rule were, of course, free from the reservation of these rights. But the grant to the Calgary and Edmonton Railway was made subsequent to the new regulations, and when the Company claimed all mines and minerals with the exception of gold and silver, the government pointed out that this was contrary to the regulations. The shrewd officials of the Company, especially E.B. Osler, thought differently and initiated a legal action.

The Calgary and Edmonton Company, of course, had a special interest in mines and mineral rights since much of





its land grant lay in the foothills of the Rockies where there was an abundance of coal of the best quality. Calgary and Edmonton lands were known also to contain oil and natural gas.

This resort to the courts by the same interests who had earlier launched action against the government with regard to the land grant of the Qu'Appelle Company prompted an outburst from the Edmonton Bulletin, at the time perturbed at the Calgary and Edmonton Railway also for its failure to operate the spur into Edmonton.

The old friends of the Calgary and Edmonton railway are again in evidence. In fact they are in court. . . . For a road which they allege to have cost \$12,600 a mile they have received in money or money's worth \$37,365 a mile--and still they are not satisfied. The man who having got the earth wanted it fenced, must have been a close relative of the C. & E. proprietors. Their present effort compares most favorably with that of the man who having stolen a mill came back for the dam.<sup>1</sup>

The case went against the Company in the Alberta court. The Supreme Court of Canada, which divided evenly, upheld the decision.<sup>2</sup> Leave to appeal was granted to the

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<sup>1</sup>Ibid., June 27, 1902.

<sup>2</sup>In an article headed "The C. and E. Thrown Down," the Bulletin reported that "Justice Bourbridge holds that in effect the act authorizing the grant of lands to the suppliants gives them no better position than if they had purchased the lands for money instead of earning them by the construction of a railway." Ibid., Nov. 17, 1902.





Company, and the case went to the Judicial Committee of the Privy Council, which reversed the decision of the Supreme Court on August 5, 1904.

The Court drew a clear distinction between "lands granted as a subsidy, that is by way of a bounty" and "Crown lands reserved for sale, or homesteads."<sup>1</sup> The former lands when granted to the Company cease to be Dominion Lands, and were therefore not subject to the regulations relating to settlement, use and occupation of Dominion lands but to the statutory railway land grant to the Calgary and Edmonton Railway Company and to the subsequent Orders-in-Council as the governing documents in the case.

This decision was of far-reaching importance and naturally other companies quickly took advantage of it. Supplementary patents including mines and minerals other than gold and silver had to be issued not only to the Calgary and Edmonton Company but also for the contemporary land grants to the Canadian Northern and to the Souris Branch and the Pipestone Extension of the Canadian Pacific Railway. Martin writes:

Throughout the whole range of the Dominion railway land grant system, therefore, both surface and mineral rights (other than gold and silver) have come to be recognized in an area almost as large as England--more than

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<sup>1</sup>Morton and Martin, op. cit., pp. 288-90.





31,750,000 acres--in the attempt to build the railways of a frontier community by means of the land through which they had to pass.<sup>1</sup>

If the administration of the land grants gives the impression that the interest of the railways "frequently took precedence over those of the Government," comments Hedges, "that impression is likely to be strengthened by an examination of the policy with reference to mines and minerals."<sup>2</sup>

The Edmonton Bulletin repeatedly censured the Calgary and Edmonton Railway Company for its land policies--for handing the land over for exploitation by a land company, for the absence of a policy which would encourage settlement and development, and for its position on the questions of taxation and mineral rights.

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<sup>1</sup>Idem

<sup>2</sup>Hedges, op. cit., pp. 115-16.



## X

### ALBERTA AFTER 1890

It is necessary, since the Calgary and Edmonton was a "colonization" railway, to inquire into the impact of the railway upon the region tributary to it. "Without question," writes Hedges, "the creation of a new society in the three prairie provinces was the outstanding feature of Canadian development in the years between 1896 and 1914."<sup>1</sup> That the Calgary and Edmonton railway played an indispensable role in the creation of the "new society" in Alberta is the thesis underlying this chapter.

The first effect of the railway, experienced even before the beginning of construction, was psychological in nature. The optimism and confidence in the future which the prospect of railway construction engendered was indicated by the Edmonton Bulletin in the spring of 1890: "We are about to enter on a new era, in the beginning of which events will move with dizzying rapidity and lightning changes will take place."<sup>2</sup>

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<sup>1</sup>Hedges, Building the Canadian West (New York: The MacMillan Co. of Canada, 1939), p. 126.

<sup>2</sup>Edmonton Bulletin, May 17, 1890.





The impact of the Calgary and Edmonton Railway on immigration and settlement was dramatic, according to evidence available including that supplied by the Edmonton Bulletin. Referring to railways in general, Morton writes:

It must now be evident that there was an intimate relation between railway construction and immigration. It is much more than that the railways opened up new territory providing the transportation necessary. Their construction and organization in any area offered work and good wages to the new settler, and thus the ready money with which to establish himself on his farm. The certainty that work of this kind was procurable must have done much to swell the volume of immigration, especially of the labouring classes. Thus in more senses than one railway construction and immigration went hand in hand.<sup>1</sup>

Even in 1890, when construction of the Calgary and Edmonton began, the immigration to northern Alberta was many times larger than before, and this in spite of the fact that it was down generally in the Northwest.

Land is being taken up in all directions with the town of Edmonton as a centre, . . . The press all over the country has given us favorable notice which cannot fail of having a good effect and the pile of letters of enquiry addressed to every resident whose name is known outside the district is continually increasing.<sup>2</sup>

The following summer season saw land "being taken up rapidly in all directions around Red Deer, 20 miles distant," reported the Bulletin.<sup>3</sup> A land office was opened in

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<sup>1</sup>Morton and Martin, op. cit., p. 113.

<sup>2</sup>Edmonton Bulletin, Oct. 4, 1890. <sup>3</sup>Ibid., June 6, 1891.





Red Deer in May that year to serve the region from Bowden to Millet. In the months before the arrival of the railway, there was an accession of 800 to 1,000 in the population of Edmonton, according to the Bulletin.<sup>1</sup> Beginning that year, a considerable number of colonies were established in northern Alberta, many of them in the Edmonton district. French colonies were established immediately north of St. Albert around the present Morinville in 1891-2 and east of Leduc in 1893. Fourteen German settlements were established between 1891 and 1894 in the country tributary to the Calgary and Edmonton railway.<sup>2</sup> Between 1892 and 1896, six Scandinavian colonies were placed in the region. Icelandic and Ukrainian settlements, in addition, were started. Besides these European settlers, there were many English-speaking settlers who came in as individuals and who cannot be traced.<sup>3</sup>

In the late spring of 1892, Robert Kerr, general passenger agent for the Canadian Pacific Railway western

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<sup>1</sup>Ibid., June 27, 1891.

<sup>2</sup>Morton and Martin, op. cit., p. 98.

<sup>3</sup>On June 30, 1892 the Dominion Government agent in charge of immigration along the C. & E. line took up his duties with his headquarters at Edmonton. Report of the Dominion Government Travelling Intelligence Agent, Calgary and Edmonton, Jan. 7, 1893. See Sessional Papers, No. 13, 1893.



division, expressed his "surprise at the rapid progress of settlement along the C. & E. line."<sup>1</sup> The country around Wetaskiwin, for example, was "well settled" for about eight miles south, west and north and about twenty miles east. There were settlers as far as thirty-five miles east of Wetaskiwin that early. The Bulletin announced that "a big rush is expected next spring."<sup>2</sup> Earlier that year, there was a report that the Edmonton land office had done more business in the past year and a half than any other office in the Northwest, "probably than all others together."<sup>3</sup> The Crown Timber agent in Edmonton stated in his annual report in the fall of 1892: "The large number of delegates who have visited this District during the season, and who without one exception have reported highly in its favour, will cause a large influx of settlers next year."<sup>4</sup> He reported 795 homestead entries compared with 495 for the previous year.

The Edmonton Bulletin described the movement of settlers into the region in 1892:

While it must be admitted that immigration has not kept pace with expectations as far as the greater part of the

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<sup>1</sup>Edmonton Bulletin, May 19, 1892.

<sup>2</sup>Ibid., Nov. 17, 1892.

<sup>3</sup>Ibid., June 27, 1892.

<sup>4</sup>Report of Edmonton Crown Timber Agency, Nov. 14, 1892, Sessional Papers, No. 13, 1893.





Territories are concerned, this cannot be said regarding that part of Northern Alberta, which lies along the C. & E. railway for at least 150 miles of its length. The increase of population in that stretch of country in the past year has been most marked. . . . Until '83 the stretch of country between Edmonton and Calgary was as vacant of settlement as the sea. . . . Even in '91 . . . the traveller between Calgary and Edmonton saw only the stage stations and stopping places for freighters. . . . In August of 1891, it [the railway] was completed to Edmonton and at once the effect of immigration began to be strongly felt. . . . It was not until the spring of 1892 that the rush of people actually began, so that what is now seen is practically the growth of one season.<sup>1</sup>

Around the village of Olds, a colony of Nebraskans and a number of Germans from Waterloo, Ontario had settled during the year. A small part of the land was under cultivation and all the settlers were keeping cattle and making butter, of which a large quantity had been shipped to Calgary during the summer.<sup>2</sup>

The report of the Immigration Agent at Red Deer indicated that land immediately about that point was "so well settled that intending homesteaders naturally passed on to new ground," with Innisfail and Wetaskiwin securing the bulk of the immigrants.<sup>3</sup> A choice section of country in the Battle River region northeast of Ponoka had "attracted a

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<sup>1</sup>Edmonton Bulletin, Jan. 16, 1893.

<sup>2</sup>Idem

<sup>3</sup>Report of Dominion Immigration Agency at Calgary, Jan. 24, 1893, Sessional Papers, No. 13, 1893.





very large number of settlers during the season, probably more than any other point south of Edmonton."<sup>1</sup>

The Bulletin wrote in the spring of 1893 that "we have nearly a train a day of immigrants and effects coming in."<sup>2</sup> An emergency had arisen in the provision of accommodations for incoming immigrants. A tourist wrote at the time, "During the last lustrum [15 days], thousands of immigrants have come to pitch their tents in the Edmonton district."<sup>3</sup>

"Settlers are fast crowding in" was the Bulletin's report concerning the Red Deer country in 1894, a region which had had comparatively few settlers up to 1892.<sup>4</sup> Farmers were coming in from the United States in great numbers to take up land.

The travelling agent, R.L. Alexander, reported the following numbers of settlers coming in during 1893 with their origins:

From the Dominion of Canada.....	984
" " British Isles.....	220
" " United States.....	1620

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<sup>1</sup>Edmonton Bulletin, loc. cit. <sup>2</sup>Ibid., Apr. 10, 1893.

<sup>3</sup>Count de Bouthillier-Chavigny, Our Land of Promise, A Run Through the Canadian North-West (Montreal: The Gazette Printing Company, 1893), p. 106.

<sup>4</sup>Edmonton Bulletin, Jan. 29, 1894.



From the Continent of Europe.....	311
Others.....	8

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Total.....3143<sup>1</sup>

Two hundred carloads came headed for various places along the Calgary and Edmonton railway as follows:

Edmonton	66
Wetaskiwin	54
Olds	28
Lacombe	15
Innisfail	13
Leduc	10
Red Deer	9
Others	5
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Total	200

Of these 200 cars, 78 came from Canada and 122 from the United States.

The Immigration Agent for Edmonton reported in 1895 that most of the land for 35 miles around was entered for. Three years later, it was reported that the nearest homesteads available were 14 to 18 miles distant, and Canadian Pacific Railway lands for sale were at least 8 miles from town. For 40 or 50 miles south of Edmonton on the Calgary and Edmonton line, homesteads were available only if one

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<sup>1</sup>Report of the Dominion Government Travelling Immigration Agent, Jan. 11, 1894, Sessional Papers, No. 13, 1894.





went 5 to 10 miles from the railway.<sup>1</sup> By 1902, all homesteads and Canadian Pacific lands for 20 miles around Edmonton were taken, though not all were occupied or cultivated.<sup>2</sup>

C.W. Sutter, the Dominion Immigration Agent in Edmonton, reported that for the six months ending June 30, 1900, 6,284 immigrants had settled in Alberta. Of these, 2,184 settled north, east and west of Edmonton, the rest at various points between Calgary and Strathcona, mostly at Didsbury, Olds, Ponoka, Lacombe, Wetaskiwin, Millet, and Leduc.<sup>3</sup> Five hundred cars of settlers' effects were unloaded between Calgary and Edmonton. Between July and October of 1903, 1,066 homestead entries were made at the Edmonton office.

In the decade between the pushing of the Canadian Pacific Railway across the prairies and the arrival of the Calgary and Edmonton at the North Saskatchewan River (1883-1891), hardly a settler established himself in the country between Calgary and Edmonton. In the decade following, the number of people who moved into the region, despite adverse

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<sup>1</sup>Edmonton Bulletin, Feb. 28, 1898.

<sup>2</sup>Ibid., Mar. 18, 1903.

<sup>3</sup>Estimated immigration along the C. & E. line, which in 1893 stood at 3,143, fell to 1,381 in 1896 but topped 6,000 for the first half of 1900, when a "boom" was underway.





economic conditions generally for the earlier '90's, took a sharp turn upwards.

The Canada Census reveals that average annual immigration into the District of Alberta--which increased from 20 around 1850 to 85 in the late '70's and to 352 in the '80's--rose precipitously to 2,136 in the decade of the 1890's. This represented an increase in average annual immigration of 507 per cent over that of the preceding decade.<sup>1</sup>

Much of this increment in the population settled in ethnic groups, as indicated by a Bulletin survey of areas of settlement between Edmonton and Ponoka in the spring of 1903.<sup>2</sup> A large proportion of the settlement south, south-east, and south-west of Strathcona was English-Canadian. English-speaking Canadians also populated a "very fully de-

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<sup>1</sup>A sharp increase is noted, incidentally, in the beginning of the '80's compared with the '70's (322%) due to the survey and construction of the C.P.R. The rise was, however, markedly steeper in the decade after the C. & E. was built. Compare immigration into the other three districts of the N.W.T. at the time. During the period, 1880-90, Assiniboia East drew 4,776 immigrants, 1,258 more than Alberta did. In the next 5 years, however, Alberta drew 5,764, Assiniboia East 3,281. The total for Alberta was almost identical with that for other 3 districts combined. During the period, 1895-1900, Alberta's immigration totalled 15,599; the other 3 districts, 18,450 (Assiniboia East, 11,824). See Canada Census, 1901, Vol. I.

<sup>2</sup>Edmonton Bulletin, Mar. 18, 1903.



veloped district" on the south side of the river north-east of Strathcona, further north-east in the area of Fort Saskatchewan and Bruderheim, and the district still further east around Beaver Hills and Victoria, as well as east of Leduc. West of Leduc was an almost entirely English-speaking settlement from the United States.

There were German settlements to the south-west of Strathcona, to the north-east near Josephsburg and Bruderheim, and east of Leduc where there was a considerable German group.

French-Canadians were settled south of Strathcona, the largest Galician settlement in the North-West was beyond Victoria on both sides of the river, and a considerable Scandinavian population was settled east of Leduc. There was another settlement to the south-east in the Beaver Lake and Vermilion districts extending to around Vegreville.

Another quite dramatic effect of the railway upon the country it was built to serve was the sudden appearance and steady growth of towns along the line of the railway. Hedges has aptly put it:<sup>1</sup>

A railway built through unsettled country exercises a profound influence not only on rural development but

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<sup>1</sup>Hedges, op. cit., p. 84.





also on the growth of towns; it becomes, in fact, the chief promoter of town sites.

This fact is seen clearly in the case of the Calgary and Edmonton Railway, too. The Edmonton Bulletin reported in the winter of 1894: "Towns are springing up at almost every railway station. . . , all surveyed and laid out in uniform squares and streets before any houses are to be built."<sup>1</sup>

Reference has been made to the power of a railway to make or break a town and to the people's consciousness of that power which the railway company held over them and their future. In light of this fact, the approach of the railway became the strongest possible stimulus toward a recognition by the citizens of the need for united action to protect and advance their interests. In the case both of Edmonton and Macleod, the approach of the Calgary and Edmonton Railway accelerated steps toward civic organization and incorporation.

The Calgary and Edmonton Railway's power to make an entirely new town is best seen in the example of Strathcona, which appeared out of nowhere to rival the old established settlement across the river at Edmonton. So much was Strathcona viewed as a product of the Company's betrayal of the interests of Edmonton that it was identified with

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<sup>1</sup>Edmonton Bulletin, Jan. 29, 1894.





the Company and its backers and with the Canadian Pacific Railway and bore a share of the odium attached to these two corporations in the eyes of the Edmonton Bulletin and the citizens of Edmonton.

In 1891, the site of Strathcona was surveyed and a station erected. Such was Strathcona's growth that whereas before the railway came in 1891 there were only three or four log houses inhabited within the later corporate limits of the town, by the summer of 1892 fifteen houses and business places were established, including a Canadian Pacific Railway hotel, a post office, a school, and a roller process flour mill--the first north of Calgary.<sup>1</sup> Eighty town lots had already been sold, the population of the surrounding district had doubled and was expected to double again by the following summer. The Winnipeg press wrote glowingly of the prospects of the new "Edmonton" and its inevitable growth to a position of primacy in the north.<sup>2</sup> Especially after the opening in 1894 of the Indian reserve which bordered Strathcona on the south, and once the financial depression of 1895 had passed, the village began to grow

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<sup>1</sup>Strathcona, The Railway Town, a Board of Trade pamphlet (Strathcona: The Plaindealer Company, 1903).

<sup>2</sup>Edmonton Bulletin, Nov. 28, 1892. Col. Denny wrote in 1915: "Had not the Klondyke gold rush occurred, Strathcona might have been the principal city." Op. cit., p. 278.



rapidly as a class of thrifty farmers moved in. looking to the Kootenay mining country as a promising market. Continuing growth warranted incorporation as a town in 1899, and population was estimated at 2,500 by 1903. School enrollment which stood at 20 in 1892 had reportedly climbed to 500 in 1903.<sup>1</sup> Strathcona was described as the "transshipping point of the outward and inward railway freight of the northern portions of the district."<sup>2</sup>

In the winter of 1892-3, the Edmonton Bulletin dealt with the "rise and rapid growth of a number of smart little towns at little stations along the line" of the Calgary and Edmonton Railway for at least 150 miles of its length.<sup>3</sup> In 1891, wrote the editor, "the traveller between Calgary and Edmonton saw only the stage stations and stopping places for freighters," but in the spring of 1892 "the rush of people . . . began"<sup>4</sup> and centres of population appeared at the old stopping places and elsewhere on the line.

Names with a rich historical interest, replacing the old names bearing references to nature, were applied to these mushrooming villages. It is related that on the completion of the Calgary and Edmonton Railway, William van

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<sup>1</sup>Strathcona, A Railway Town, ibid.

<sup>2</sup>Edmonton Bulletin, June 14, 1897; Mar. 17, 1903.

<sup>3</sup>Ibid., Jan. 16, 1893.

<sup>4</sup>Idem





Horne sent a request to Father Lacombe

for appropriate names for the new villages springing up along the line. Wetaskiwin, Ponoka, Otaskawan were among the names he gave, while others like Lacombe, Leduc and Hobbema were chosen by Sir William, who as a connoisseur in men and art at one stroke placed on the map of the west the names of two pioneers and an artist whose works he admired.<sup>1</sup>

Coming from the south, one saw the "first signs of new settlements" at Olds, a site on the old trail known as Lone Pine. The town was "as yet chiefly in the imagination," reported the Bulletin, consisting of a station, immigration shed, store, hotel, and a schoolhouse under construction.<sup>2</sup> Almost exactly one year later, however, the government's Travelling Immigration Agent recorded that Olds, along with Lacombe, had "sprung into prominence, and bid fair to rival the other towns."<sup>3</sup> Where one year before, there had been but four buildings, he wrote, there was now a village of about 100 in population.

Innisfail, just north of Constant's stopping place on the old trail, was "claimed by its residents to be the brightest, smartest, and most growing town along the line."<sup>4</sup>

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<sup>1</sup>Hughes, op. cit., p. 349.

<sup>2</sup>Edmonton Bulletin, loc. cit.

<sup>3</sup>Report of the Dominion Government Travelling Immigration Agent, Jan. 11, 1894, Sessional Papers, No. 13, 1894.

<sup>4</sup>Edmonton Bulletin, Jan. 16, 1893.





The first houses were erected there in the spring of 1891, and by the close of the following year there were, according to the Bulletin, between 300 and 500 residents there. The town included five or six stores, two hotels, a public school, and two churches (Presbyterian and Episcopal). A brick yard was added in 1893, and the town "made very marked progress during the year."<sup>1</sup>

The town of Red Deer, where the railway had only arrived late in the fall of 1891, was begun in the spring of 1892. There had been an old town<sup>2</sup> three miles further up the Red Deer River, where the old trail crossed the river, consisting of two stores, one of which belonged to Leo Gaetz--the real pioneer of the place--, a mounted police station, and three or four houses. The "establishment of the railway crossing and station on the next flat below,

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<sup>1</sup>Report of the Dominion Government Travelling Immigration Agent, ibid.

<sup>2</sup>Edmonton Bulletin, loc. cit. Rev. Leo Gaetz, appearing before the Select Standing Committee on Agriculture and Colonization in the House of Commons, declared on Feb. 26, 1890 that "the area of settlement around Red Deer would be over a length of seven or eight miles along the Edmonton trail, by three or four miles east and west of the trail, but it is a scattered settlement . . . . I suppose there are about a hundred occupying homesteads. . . . They would average . . . from 150 to 200 in that settlement." Leo Gaetz, Report of Six Years' Experience of a Farmer in the Red Deer District (Ottawa: S.E. Dawson, 1892), pp. 25-6.



entirely killed the town at the old crossing and caused the removal of whatever business had been established there to the new town."<sup>1</sup> During 1892, the town had been added to very greatly, according to the Bulletin, and had "a number of business establishments that in the matter of stock carried and buildings occupied would be a credit to a place three times the size."<sup>2</sup> Red Deer was also the dining station of the Calgary and Edmonton Railway, an important distributing point, and the site of a small mill. So much progress did Red Deer quickly make that James Woodsworth, Superintendant of Northwest missions of the Methodist Church, who visited there in 1892 and in 1894, exclaimed after his second visit: "What a change in Red Deer! From a few small log houses has grown a large and flourishing town."<sup>3</sup> According to the Bulletin, there were about 300 people living in the town by 1897.<sup>4</sup>

North of Red Deer, the first station was Lacombe, situated one mile east of Barnett's stopping place on the old Calgary trail. All the Bulletin could report in Lacombe in the winter of 1892-3 was a post office and a small

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<sup>1</sup>Idem

<sup>2</sup>Idem

<sup>3</sup>James Woodsworth, Thirty Years in the Canadian North-West (Toronto: McClelland, Goodchild & Stewart, 1917), p. 183.

<sup>4</sup>Edmonton Bulletin, loc. cit.





store, but one year later the Government Agent referred to it as "now a place of considerable importance."<sup>1</sup> The town site had been surveyed and put on the market only in May, 1893, and where one year before there had been just one small store in a log shack, now there were eleven places of business. The estimated population in 1897 was about 200.<sup>2</sup>

Twenty miles still further north was Ponoka station on the Battle River. The country through which the Battle River flowed--from Ponoka to Battleford, a distance of over 200 miles--was "probably the finest area of agricultural land that the Northwest contains."<sup>3</sup> Growth in Ponoka was slower than that of Innisfail, Red Deer, Wetaskiwin, Olds or Lacombe, and there was only a handful of people there by 1899. In the next five years, however, it grew into a thriving energetic town.<sup>4</sup>

Wetaskiwin, on the east side of the Peace Hills, did not exist at the beginning of August, 1892, but by the winter it owned three or four general stores and the largest

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<sup>1</sup>Report of the Dominion Government Travelling Immigration Agent, *ibid.*

<sup>2</sup>Edmonton Bulletin, *loc. cit.*

<sup>3</sup>Idem

<sup>4</sup>Ponoka, 1904-1954, 50th Anniversary, a pamphlet.





hotel between Calgary and Edmonton. Its population was nearly as large as that of Innisfail. "This place has made a most rapid growth," commented the Bulletin.<sup>1</sup> A year later, the Immigration Agent reported: "Wetaskiwin, having received by far the largest immigration of any town along the C. and E. Railway, except Edmonton, has grown rapidly."<sup>2</sup> Its population had reached about 200, and the "country around it was filling up rapidly."<sup>3</sup> By 1903, it had become the largest town between Calgary and Edmonton and was the chief point of departure from the railway line for immigration for the country along the Battle River both north and south for 100 miles.<sup>4</sup>

Leduc was described in 1903 as the "centre of a large and growing settlement" and an important shipping point and distributing centre for a large area.<sup>5</sup>

Edmonton had "gone ahead rapidly," and with new fire protection, extensive sidewalks just built, and its electric light, was "fast coming to the point as the leading town in Alberta," according to the Bulletin. Its

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<sup>1</sup>Edmonton Bulletin, loc. cit.

<sup>2</sup>Report of the Dominion Government Travelling Immigration Agent, ibid.

<sup>3</sup>Idem

<sup>4</sup>Idem

<sup>5</sup>Edmonton Bulletin, Mar. 17, 1903.



population, a little over 500 in 1890, stood at 1200 to 1500 in 1897, and had climbed to over 2,500 by 1901 and to 5,445 in 1903. A total assessment of \$675,000 in 1891 grew to \$1,500,000 by 1901.<sup>1</sup>

Calgary shared with Regina the Bulletin's nomination as the leading city in the Territories.

Truly, "the advent of the railway north of Calgary had transformed the silent prairie into scenes of activity."<sup>2</sup> Reflecting the growth of the towns was the fact that the Bulletin felt justified in saying in the fall of 1901 that there was "no part of the Northwest which was growing as rapidly or where already the local business centres were more important or closer together."<sup>3</sup> The Calgary and Edmonton Railway served 15 post offices between those two centres.<sup>4</sup>

The impact of the Calgary and Edmonton Railway was

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<sup>1</sup>Ibid., June 14, 1897; Aug. 12, 1901; Apr. 23, 1903. Denny credits the Klondyke gold rush with starting Edmonton's "boom." It "set Edmonton on its feet," and was "the making of modern Edmonton." Op. cit., pp. 277-8,

<sup>2</sup>Woodsworth, op. cit., p. 181.

<sup>3</sup>Edmonton Bulletin, Sept. 20, 1901.

<sup>4</sup>The post offices served were at Airdrie, Carstairs, Didsbury, Olds, Bowden, Innisfail, Penhold, Red Deer, Blackfalds, Lacombe, Ponoka, Wetaskiwin, Millet, Leduc, and Ellerslie. Of these, Olds, Innisfail, Red Deer, Lacombe, Ponoka, Wetaskiwin, and Leduc were important business centres doing a large trade. Idem





felt not only in terms of an increased immigration and settlement and of the mushrooming of new towns along the line but also in terms of a stimulus to the economy of the region tributary to the line. An editorial in the Edmonton Bulletin during the summer that construction began at Calgary spoke glowingly of the changed conditions to be brought about by the advent of the railway.

The editor foresaw increased prosperity due to the circulation of money during construction, a rise in land values, the end of the freighting industry, an increase in farm production, greater wealth for farmers who would have access to the world market and benefit from higher prices, and an expansion in non-agricultural industries including coal, timber, gold, flour milling, and petroleum. Although the anticipation of a boom in the working of gold and petroleum deposits was visionary, the benefits hoped for in other sectors of the economy were realized.

The initial economic effects of the Calgary and Edmonton Railway were the direct result of the construction of the railway. The building of the line offered work and wages to the new settler, thus providing him with the ready money which would help to establish him on his farm. Besides the foreign market now being opened up, the settler found a temporary market for his produce in the construc-





tion going on along the line.<sup>1</sup>

The building of the railway opened up choice lands for new settlers. The report concerning the administration of the Northwest Territories for the year 1890 stated that the Calgary and Edmonton Railway would "open up a vast region of country, which, for extent of fine arable land and wonderful natural resources, is equal, if not superior, to any district of the Territories."<sup>2</sup> Homestead entries which stood at 495 for the year 1891 amounted to 795 in 1892. Particularly valuable land opened up by the railway was the Edmonton district, the Battle River country, and the country around Red Deer. The southern extension of the line from Calgary to Macleod traversed the "whole of the rich, grass-covered plateaus and valleys of the ranching districts of the south-west."<sup>3</sup>

The boon to agriculture can hardly be exaggerated. The Lieutenant-Governor of the Territories in his official

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<sup>1</sup>For a more thorough discussion of this point, the reader is referred to Chapter V, pp. 116-18.

<sup>2</sup>Report Concerning the Administration of the Northwest Territories for the Year 1890, Jan. 8, 1891, Sessional Papers, No. 17, 1891.

<sup>3</sup>Report Concerning the Administration of the Northwest Territories for the Year 1891, Jan. 25, 1892, Sessional Papers, No. 13, 1892. Refrigerated cars on the railway proved a great boon to the ranching industry. Macleod Gazette, Dec. 29, 1892.





report to the government in Ottawa commended the Canadian Pacific Railway "for their efforts to connect with the markets of the world those portions of our country which only await the toil and labour of the immigrant to become smiling fields of wheat."<sup>1</sup> Woodsworth wrote that whereas before the advent of the railway, "there was but little inducement to grow wheat extensively, now that shipping facilities have been provided, the people of Edmonton are looking to both East and West for markets."<sup>2</sup> He reported that in the fall of 1891 ten carloads of wheat had gone from Edmonton to Toronto; three carloads of oats had been shipped out as well and 165 head of cattle had gone out to British Columbia. The Dominion Agent at Calgary reported for the year 1897 that "there is a ready market for everything the farmer can produce at very good prices."<sup>3</sup> Grain buyers were coming in from Manitoba, and elevators were being built along the Calgary and Edmonton line. The Immigration Agent at Edmonton stated in his 1898 report that the more prosperous condition of the agricultural industry "results largely from greatly reduced freight rates, which

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<sup>1</sup>Report Concerning the Administration of the North-West Territories for the Year 1891, ibid.

<sup>2</sup>Woodsworth, op. cit., pp. 160-61.

<sup>3</sup>Report of the Agent at Calgary, Dec. 31, 1897, Sessional Papers, No. 13, 1898.





during the past two years have opened up the southern British Columbia market to the products of northern Alberta."<sup>1</sup>

Besides fertile lands, other natural resources of the country such as timber and coal were brought into touch with the commercial market. Woodsworth reported ten car-loads of coal being shipped to Calgary during the first year of the railway's operation.<sup>2</sup> The rush of immigration into the region created a demand also for timber for new buildings and hay for feed. The Edmonton Crown Timber Office declared that two-thirds of a million board feet of "lumber of all kinds is now in such demand that the stocks on hand at the mills will not meet it."<sup>3</sup> Just under 1,000,000 board feet of lumber were sold that year in Edmonton. The output of timber in 1892 was over double that of previous years yet it was not nearly sufficient to supply the demand. To October 31st of that year, sales reached 2,400,000 feet.<sup>4</sup>

The advent of the railway also meant lower costs

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<sup>1</sup>Report of the Agent of Dominion Lands at Edmonton, Jan. 2, 1899, Sessional Papers, No. 13, 1899.

<sup>2</sup>Woodsworth, loc. cit.

<sup>3</sup>Report of the Crown Timber Agent at Edmonton, Oct. 31, 1891, Sessional Papers, No. 13, 1892.

<sup>4</sup>Ibid., Oct. 31, 1892, Sessional Papers, No. 13, 1893.





for goods formerly freighted in by water or overland from Calgary. The Macleod Gazette in 1892 contained an advertisement of the Hudson's Bay Company offering a car of flour and of salt at "lower prices than have ever ruled in Macleod."<sup>1</sup> The advertisement noted the completion of the railway connection as the reason for the unusual offer.

Large amounts of capital were brought in, both in the construction of the railway and by new settlers coming in to establish themselves on farms or to open up new businesses. Indicative of this influx of capital are the annual reports of Dominion Government agents stationed at important points along the Calgary and Edmonton line.

In the three months from October to December, 1892, immigrants brought in \$32,750 worth of effects. Animals brought in included 86 horses, 260 cattle, 132 sheep, and 14 pigs.<sup>2</sup> It was reported that many of those from the United States were returning Canadians with some means. Two hundred carloads of effects were brought in during 1893. The value of carloads coming in during 1895 was \$235,525. Included were 838 horses, 503 cattle, 144 pigs, and 169

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<sup>1</sup>Macleod Gazette, Sept. 22, 1892.

<sup>2</sup>Report of the Dominion Government Travelling Intelligence Agent, Calgary and Edmonton Railway, Jan. 7, 1893, Sessional Papers, No. 13, 1893.



sheep.

The social impact of the railway is hardly measurable. Indicative, however, was the reduction in the time required for the trip from Macleod to Calgary, as a result of the completion of the railway, from nearly two days to a mere four hours. Whereas formerly a traveller rode four hours by stage from Macleod to Lethbridge, eight hours by the Alberta Railway and Coal Company train from Lethbridge to Dunmore, waited there for twelve hours for the mainliner from the east, and then rode in the dead of night to Calgary, now he left Macleod at 8:00 A.M. and arrived by the Calgary and Edmonton train in Calgary before dinner.<sup>1</sup>

The Church, too, was ~~not~~ slow in establishing a ministry in the new centres along the railway. The Presbyterian minister, A.T. Grant, for example, who reached Edmonton in 1887 wrote later: "We had followed the construction work of the Calgary and Edmonton Railway and were the pioneer church at all points along the road from Calgary to South Edmonton."<sup>2</sup>

Evidences of change such as have been only suggested lend support to the statement that the pioneer railway, in this case the Calgary and Edmonton Railway, "had an im-

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<sup>1</sup>Macleod Gazette, Sept. 15, 1892.

<sup>2</sup>McKellar, op. cit., p. 111.





portance out of all proportion to the statistics of railway mileage or the census returns."<sup>1</sup> Arthur Morton finds in the young ranching industry, organization of the coal industry, first experiments in irrigation, and the building of the Calgary and Edmonton Railway that the "foundations of the Alberta which we now know were being laid."<sup>2</sup>

The Edmonton Bulletin did not explicitly credit the Calgary and Edmonton Railway with a large role in settling and developing Alberta. In fact, it charged the railway, as pointed out in a previous chapter, with impeding the settlement of lands when it was in its power to hasten it. The liberal use of the Bulletin as a source in the development of this chapter, however, implies a recognition by the Bulletin of the railway's fundamental importance to the settlement and development of Alberta.

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<sup>1</sup>Morton and Martin, op. cit., p. 300.

<sup>2</sup>Ibid., p. 93.





## CONCLUSION

The Calgary and Edmonton Railway played, along with other factors, an indispensable role in the settlement and development of Alberta, an assertion supported by a comparison of Chapters I and II with Chapter X. Notwithstanding this fact, the foregoing study yields the conclusion that the Edmonton Bulletin exaggerated the railway's share of the responsibility for the economic condition of the tributary region.

The Bulletin often saw the economic state of the Edmonton district in isolation from the Canadian, and indeed the world, economic scene. In its etiology of the local and district economy, consequently, the Bulletin tended to assign to the Calgary and Edmonton Railway and to its senior associate, the Canadian Pacific Railway, a disproportionate measure of influence in the economy, not taking sufficient notice of external factors which were helping to create a prosperous or a stagnant condition. Today, however, it is still a common failing to interpret the regional economic condition apart from the national and international scene. Perhaps the pioneers' need to



stress the values of individual initiative, self-reliance, and local freedom easily led to a magnifying of the power and freedom of the railway company.

This explanation fails, however, to take account of how the isolated pioneer interpreted the facts that were real to him. Some of these facts were obviously beyond his control--facts arising from natural conditions or from the economy of a distant world. These he could not manipulate or was not even aware of. All the more, therefore, he laid great stress on those factors which he considered variables rather than unalterable realities--high freight rates and poor service, for example. In this context, the railway company was made a scapegoat bearing responsibility for the settlers' economic difficulties. Caught in the age-old cost-price squeeze, the pioneer saw in the railway company the middle-man draining off much of the profit rightfully his own. The Calgary and Edmonton Railway, the Canadian Pacific Railway, eastern financial interests--these together were seen as exploiters of the pioneer for their own gain only. The Calgary and Edmonton Railway found itself a part of the object against which the pioneers' protest as articulated by the Edmonton Bulletin was directed. Both in the high expectations they entertained concerning the railway and in the new grievances which its coming brought to





them--along with improved conditions--, the railway entered into the psychology of the pioneer.

Without the railway, nevertheless, settlement and development could not have come about, as the Bulletin editor repeatedly made clear. So basic to the development of Alberta was the Calgary and Edmonton Railway considered that the Canadian Government played an unusually important role in getting the line built. Prime Minister Macdonald spoke at some length in the House of Commons in justifying to Parliament the construction of the Calgary-Edmonton line. The company was given an uncommon mail-carrying subsidy in cash of substantial amount in addition to the normal assistance granted to colonization railways. It was the government, apparently, who first approached Osler and Ross through the medium of the Prime Minister's office with a view to getting the line built. The Calgary and Edmonton Railway became part of Macdonald's national policy which dated back to the Dominion's infancy. The settlement and development of the West and the growth of Eastern industry he saw as essential to Canadian nationhood. The West would be a source of food and provide a market for Eastern industry. To get settlers and their effects into that part of the West between Macleod and Edmonton and to get their produce out was the purpose for which the Calgary and Edmonton





line was built. That purpose, despite the reservations of critics such as the Bulletin--some well-founded--, it served well on balance. The Calgary and Edmonton Railway can thus be seen as an instance of Canadian Government initiative in preparing the frontier beforehand for the expected rush of settlers.

But the railway was really only one of several indispensable factors, albeit one of the most important, in the development of the pioneering region. Also necessary were the establishment of political institutions, provision for the enforcement of law and order, extinction of the Indian title to the land and their retirement to reserves, a regular system of survey and liberal land policies, the installation of mail and telegraphic services. Not even the coincidence of all these factors could guarantee prosperity. The world economic condition must be favorable, and there must be people ready to move in. This latter factor involved the dispelling of some myths concerning Canada's West and the filling up of the last frontier below the International Boundary. Obviously, then, the role of any one of these factors can be and has been overemphasized--as in the case of the Edmonton Bulletin and the Calgary and Edmonton Railway.

The question whether settlers in Alberta paid too



high a price for the Calgary and Edmonton Railway, as the Bulletin in effect charged, is part of the question whether the West paid too much for its railways. Rational criteria by which to answer the question are not available. The government land grant, it appears, was not properly subordinated to the purposes of the railway. It is difficult to avoid the opinion that financial interests behind the railway wanted the franchise for the sake of what they might be able to get out of the land grant. The railway, as a result, was not properly cared for and poor service followed at times.

Certain questions arising out of this study remain unanswered, pending more widely based research--involving especially an investigation of the Calgary and Edmonton Company records as well as those of the Department of the Interior. (The former are not yet available.) Precisely how was the railway financed? It is impossible to find common ground between the positions of Osler and his opponents. What was the exact role of the Canadian Pacific Railway behind the scenes of the Calgary and Edmonton Railway? Who, if anybody did, benefited most from the whole project? Is the Calgary and Edmonton Company cast in too unfavorable a light by the discussion in Chapter VI (Controversy)? Would private correspondence throw a much different light on the





Company? How was the land grant disposed of?





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## APPENDIX A

### Progress of Construction on Calgary & Edmonton Railway

#### 1890:

- April 24 Act of incorporation
- May 16 Grant of land subsidy & cash subsidy  
Authorization of agreement with C.P.R.
- June 21 Agreement with government for transport service; construction deadlines set
- July 21 First sod turned at Calgary
- Dec. 4 Last train of season arrives at Red Deer
- 31 Railway completed from Calgary to south bank of Red Deer River--93.78 miles.

#### 1891:

- Apr. 25 First train of season arrives in Red Deer
- July 6 Permission granted to open first 100 miles north of Calgary
- 15 Last spike driven. Road completed from Calgary to south bank of N. Saskatchewan River
- 25 Railway officially completed
- Aug. 10 Railway reported officially fit for traffic
- Dec. 7 Fifty miles south of Calgary officially reported fit for traffic

#### 1892:

- Nov. 3 Road completed from Calgary to north bank of Old Man River at Macleod--104.1 miles





APPENDIX B<sup>1</sup>

Calgary & Edmonton Railway Time Table				
Mixed Going North Read Down	No. Siding		Miles from Calgary	Mixed Going South Read Up
7:00		Dep. Calgary Arr.		19:00
7:27	1	Beddington	8.5	18:34
8:00	2	Airdrie	18.7	18:01
8:32	3	Crossfield	28.7	17:29
9:05	4	Carstairs	38.8	16:53
9:30	5	Didsbury	45.8	16:28
10:00	6	Olds	55.9	15:58
10:36	7	Bowden	65.5	15:28
10:58	8	Innisfail	74.8	15:00
11:33	9	Penhold	83.4	14:27
12:00		Arr. Red Deer Arr.		14:00
12:30	10	Dep. Siding Dep.	93	13:30
13:08	11	"	105.2	13:08
13:30	12	"	112	12:46
14:08	13	"	121.3	12:08
14:40	14	"	128.8	11:20
15:30	15	"	140.3	10:30
16:13	16	"	150.5	9:47
17:00	17	"	160.3	9:00
17:48	18	"	172.8	8:12
18:33	19	"	182	7:27
19:00	20	Arr. Edmonton Dep.	191	7:00

<sup>1</sup>Edmonton Bulletin, Aug. 15, 1891.

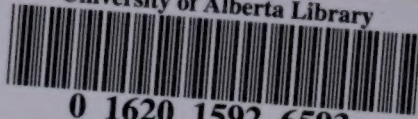








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